

TOWN OF ERIE | COLORADO



Comprehensive Annual Financial Report

For The Year Ended
December 31, 2014



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Town of Erie, Colorado

Comprehensive Annual Financial Report
For the fiscal year ended
December 31, 2014

Prepared by the Finance Department:

Steve Felten, CPA – Finance Director
Christine M. Morrison – Deputy Finance Director

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Town of Erie, Colorado
Comprehensive Annual Financial Report
For the fiscal year ended December 31, 2014

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Introductory Section

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June 18, 2015

To the Honorable Mayor, Members of the Board of Trustees, and Citizens of the Town of Erie:

State Law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of audited financial statements. Pursuant to that requirement, we hereby issue this comprehensive annual financial report of the Town of Erie (the Town) for the fiscal year ended December 31, 2014.

This report is management's representation concerning the Town's finances. Management assumes full responsibility for the completeness and reliability of the information presented in this report. To provide a reasonable basis for making these representations, Town management has established a comprehensive internal control framework designed both to protect the Town's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Town's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the Town's internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

CliftonLarsonAllen LLP, a firm of licensed certified public accountants, has audited the Town's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended December 31, 2014, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Erie's financial statements for the fiscal year ended December 31, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented at the beginning of the financial section of this report.

GAAP requires that management provide Management's Discussion and Analysis (MD&A), a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal should be read in conjunction with the MD&A. It is designed to complement the MD&A. The MD&A follows the independent auditors' report.

Profile of the Town

Erie was platted on January 25, 1871, and incorporated as the Town of Erie on November 16, 1874. It is the second oldest municipality in Weld County. Founded as a rural coal mining town, Erie is now located on the northern fringe of the Denver-Boulder Metropolitan Area. The estimated population of the Town at December 31, 2014, is approximately 22,000, with a planning area that includes 46 square miles in Boulder and Weld Counties. The Town levies property tax on real properties located within its boundaries, has a municipal sales and use tax, and is empowered by state statute to extend its corporate limits by annexation. Annexation occurs periodically when deemed appropriate by the governing Board and voters.

The Town has operated under the Trustee-Administrator form of government since its first meeting on November 16, 1874, as a statutory town. Policy-making and legislative authority are vested in the Board of Trustees (the Board) consisting of the mayor and six trustees. The Town's board is responsible for passing ordinances, adopting the budget, appointing committees, and hiring the Town's administrator, clerk, treasurer, and attorney. The Town's administrator is responsible for carrying out the goals, policies, and ordinances of the Board, for overseeing the day-to-day operations of the Town, and for appointing the heads of the various departments. The Board is elected on a nonpartisan basis. The mayor is elected for a two-year term and three trustees are elected for four-year terms at each biennial election. The mayor and trustees are elected at-large.

The Town provides a full range of services, including administration and finance; planning and building; police protection; public works, engineering, and street maintenance; and parks, trails, open space, and recreational activities. The Town also offers business-type services from its water, sewer, and storm drainage utilities; and the municipal airport. In addition, although they are separate legal entities, the Town has established the Town of Erie Urban Renewal Authority (URA) and the Town of Erie Housing Authority.

Other traditional municipal services such as fire protection and library services are provided to Erie's citizens by outside special districts not affiliated with the Town. Other utility services, such as electricity, gas, and trash services, are provided by private companies not affiliated with the Town. Since these organizations are not affiliated with the Town, their financial information is not reported in the Town's financial statements.

The annual budget serves as the foundation for the Town's financial planning and control. All departments submit requests for appropriation to the finance director on or before the last day of August each year. The finance director and Town administrator use these requests to begin developing a proposed budget. The budget is presented to the Board for review prior to October 15. The Board is required to hold public hearings on the proposed budget and to adopt a final budget no later than December 15. The Town's fiscal year ends on December 31. The appropriated budget is prepared by fund (e.g., general), department (e.g., police), and division (e.g., patrol). Department heads may transfer appropriations within a department. Transfers of appropriations between departments and funds, and appropriations increasing the budget, require Board of Trustee approval.

Budget-to-actual comparisons are provided in this report for each individual fund for which an appropriated annual budget has been adopted. For the General Fund and the Trails and Natural Areas Fund, budgetary comparisons are presented on pages 40 and 41, as part of the basic financial statements for the governmental funds. For all other governmental funds, these comparisons are presented in the nonmajor governmental funds subsection of this report, which begins on page 80. Budgetary comparisons for the proprietary funds begin on page 99.

Factors Affecting Financial Condition

A government's finances are related to the local and national economies. For example, a downturn in the local economy may reduce the government's revenues as well as increase the demand for services from its citizens. The information presented in the financial statements is perhaps best understood when it is considered from a broader perspective.

Local Economy

Until the mid-1990's the Town experienced very slow population growth. But since 2000 the Town's population has more than tripled, reflecting growth in single-family residential homes. To support that growth, the Town assesses permit, impact, and tap fees and uses this revenue to pay for improvements such as parks, recreation facilities, and transportation infrastructure. In addition, these fees are used to develop water resources and water, wastewater, and storm drainage infrastructure.

Town sales tax revenues, representing approximately 25% of General Fund revenues and other sources of funds, grew steadily through 2007. After experiencing a decline in sales tax revenues in 2008, sales tax revenues have increased each year since then, growing by 11% in 2014 compared to 2013 and exceeding the pre-recession high of by 44%. The Town expects that sales tax revenues will continue to grow as residential and commercial development occurs in and around the community. In particular, the opening of a King Soopers on Highway 7, currently expected in 2016, will significantly increase the Town's sales tax revenues. The Town continues to work on increasing the number of businesses throughout the community, including initiatives to enhance Historic Downtown Erie, Four Corners, Highway 287 and Arapahoe, and the Highway 7 corridor, among other areas of potential development.

Residential construction activity continued to show strength in 2014, with 291 permits issued compared to 248 in 2013. In preparing the Town's 2015 budget it was assumed that 400 residential permits would be issued. It is anticipated that building activity over the next few years will be significantly higher than in the 2009-2013 timeframe, barring an economic downturn. Currently five large developments with a planned total of approximately 5,400 dwelling units are under construction, with additional developments expected to begin construction activities in 2015.

The immediate vicinity, including the Town, Boulder County, and Weld County, has an employed labor force of about 300,000. The Town's major employers range from retail to engineering to education to light manufacturing. At December 31, 2014, the Town government had 166 full-time equivalent employees, making it one of Erie's top five employers. As indicated above, the community is expected to maintain strong growth of quality residential construction, leading to an expected doubling of population over the next 10 years or so. This growth should translate into corresponding growth in the number and variety of businesses expected in the community in the future.

Long-term Financial Planning

As discussed in more detail below, the Town continues to maintain strong fund balance positions in its various funds. The Board and management believes it is prudent to conserve its level of reserves as the Town experiences continued growth and expands and diversifies its commercial base. This growth can be expected to lead to increased levels of sales, use and property tax revenues, in addition to other revenue sources not directly dependent on residential development.

The Board and staff assess the need for additional capital improvements as part of its long-range planning process. As part of the annual budget process, staff updates projections of capital needs over the next five years. Projects currently in progress or under consideration include an expansion of and improvements to the Town's park system, various roadway projects, increases in the capacity of the water and wastewater systems, and additions to the Town's open space and trails. In addition, the Town is a participant in both the Windy Gap Project and the Northern Integrated Supply Project, parts of its efforts to ensure adequate water supplies as the Town grows.

Relevant Financial Policies

The Town adopted financial policies in 2003. These policies guide the financial operations of the Town and provide structure when developing the budget. The Town's budget policy provides that the fund balance in the General Fund will only be expended for one-time capital expenditures unless otherwise authorized by the Board of Trustees. The Town's operating reserve policy requires the Town to maintain a fund balance in the General Fund of 25% of the current year's budgeted operating expenditures, plus an additional reserve of \$7.5 million to provide a funding source for services in the event of severe economic conditions. Enterprise funds must maintain a ninety-day operating and maintenance expense reserve. Total General Fund reserves at year-end 2014 were less than the policy goals described above due to advances to the URA to support its redevelopment efforts. These advances will be repaid as future urban renewal projects are undertaken and financed. But at almost 50% of related 2014 actual expenditures these reserve levels are very strong relative to similar towns. The strength of the Town's financial condition is evidenced by recent ratings of AA+ on its general obligation debt by Standard & Poor's.

Major Initiatives

The Town continues to provide necessary services to its residents. In 2014 the Town began construction of a public safety and municipal court building, acquired several open space properties, and began construction of a 4 million gallon water storage tank, in addition to several other projects to expand and improve the Town's infrastructure and amenities.

Awards and Acknowledgements

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report for the fiscal year ended December 31, 2013. This was the tenth consecutive year that the Town has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

We would like to express our appreciation to all staff members who assisted and contributed to the preparation of this report. This report would not have been possible without the efficient and dedicated services of the entire staff of the finance and administration departments. Credit also must be given to the Mayor and the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the Town of Erie's finances.

Respectfully submitted,



A.J. Krieger
Town Administrator



Steve Felten, CPA
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Erie
Colorado**

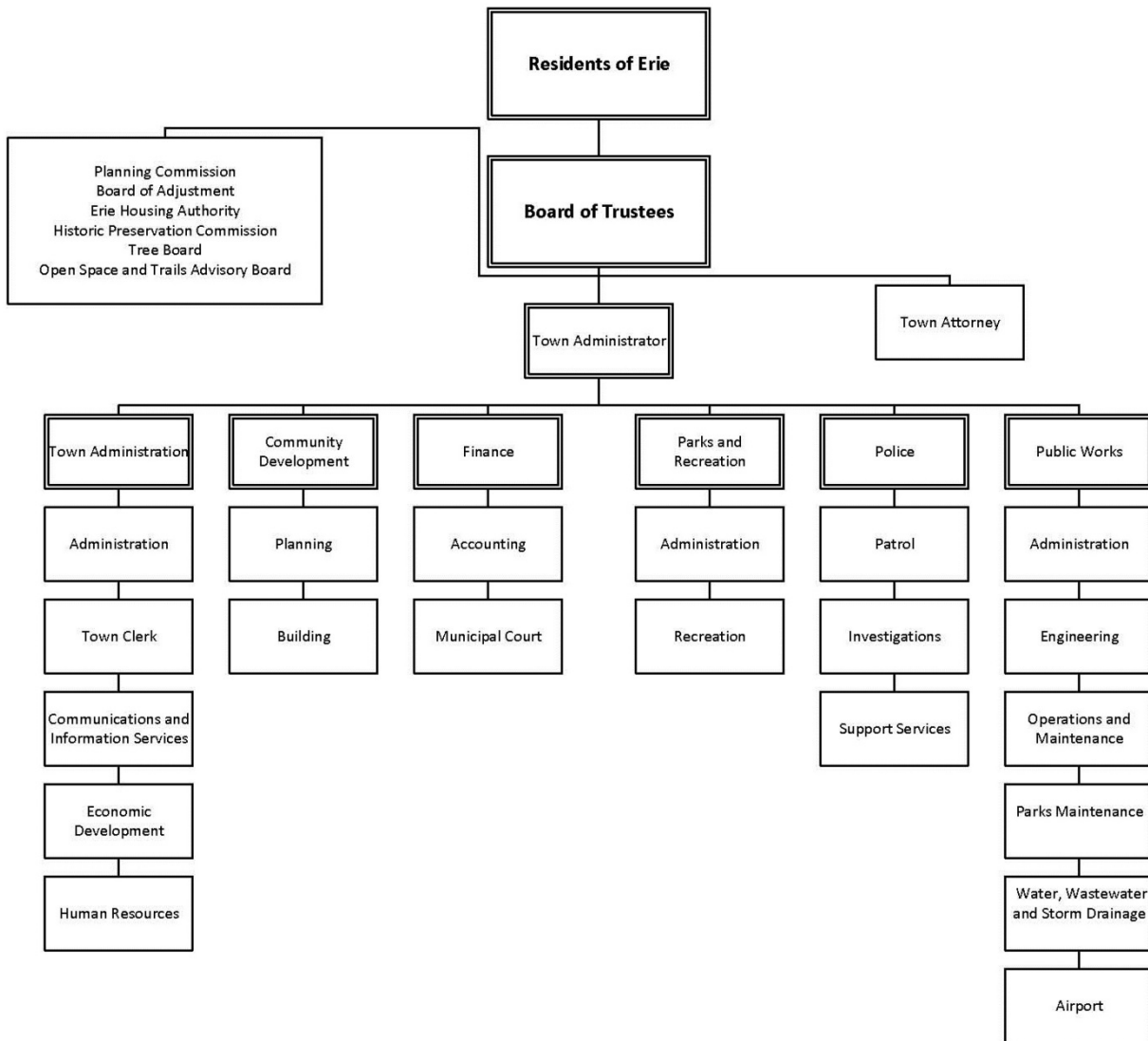
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

A handwritten signature in black ink, reading "Jeffrey R. Egan". The signature is written in a cursive, flowing style.

Executive Director/CEO

Organizational Chart



Town of Erie, Colorado

List of Town Officials

Elected Officials: Mayor and Board of Trustees

Tina Harris	Mayor
Mark Gruber	Mayor Pro-Tem
Jennifer Carroll	Trustee
Scott Charles	Trustee
Janice Moore	Trustee
Waylon Schutt	Trustee
Dan Woog	Trustee

Town Administration Officials

A.J. Krieger	Town Administrator
Mark Shapiro	Town Attorney
Nancy Parker	Town Clerk
Gary Behlen	Public Works Director
Farrell Buller	Parks and Recreation Director
Steve Felten	Finance Director
Marty Ostholthoff	Community Development Director
Marc Vasquez	Chief of Police

Note: List is as of the issuance date of this report.

Financial Section

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Town of Erie
Erie, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Erie, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Erie as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Trails and Natural Areas Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17-29 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Erie's basic financial statements. The combining and individual statements and schedules and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual statements and schedules, Local Highway Finance Report, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections and the Water and Wastewater Enterprise Funds Continuing Disclosures have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2015, on our consideration of the Town of Erie's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Erie's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 18, 2015

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Management's Discussion and Analysis

The Town of Erie's (Town) management offers readers this narrative overview and analysis of the Town's financial activities for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, found earlier in this report. Amounts in this section are rounded for purposes of easier understanding.

Financial Highlights

- The Town's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the end of 2014 by \$277.5 million (net position). Of this amount, \$30.8 million (unrestricted net position) may be used to meet the Town's ongoing obligations in accordance with financial policies.
- The Town's net position increased by \$9.4 million, or 4%. Governmental net position increased by \$3.2 million, or 3%, and business-type net position increased by \$6.2 million, or 4%.
- At December 31, 2014, the Town's governmental funds reported combined ending fund balances of \$31.7 million, an increase of \$4.1 million from 2013.
- The General Fund, the Town's primary operating fund, reported unassigned fund balance of \$7.9 million, representing 45% of actual 2014 expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. These consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these categories reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). One purpose of the design of the statement of activities is to show the financial reliance of the Town's distinct functions on revenues provided by the Town's taxpayers.

Both of the government-wide financial statements distinguish Town functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through users fees and charges (business-type activities). The Town's governmental activities include general government (including the Town's urban renewal authority activities), public safety, public works, and parks and recreation. Business-type activities include the water system, wastewater system, storm drainage system, municipal airport, and the housing authority.

The government-wide financial statements can be found on pages 33-35 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the Town's funds can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating the Town's near term financing requirements.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the governmental funds information with similar information presented for governmental activities in the government-wide financial statements. By comparing the information, readers may better understand the long term impact of the Town's near term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate a comparison between governmental funds and governmental activities.

The Town has twelve individual governmental funds, including the Town's urban renewal authority (URA). The General Fund is considered a *major fund*, as is the Trails and Natural Areas Fund. Their fund information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and

changes in fund balances. The remaining individual governmental fund statements are provided in the form of combining statements in a later section of this report.

The Town adopts an annual appropriated budget for each of its governmental funds. Budgetary comparison statements for the General Fund and Trails and Natural Areas Fund are included in the basic financial statements to demonstrate compliance with the adopted budget.

The basic governmental fund financial statements can be found on pages 36-41 of this report.

Proprietary funds are used to account for essentially the same functions and information as business-type activities in the government-wide financial statements. The Town has five proprietary funds, also known as enterprise funds. Of these five funds, the Water Fund and Wastewater Fund are reported individually as major funds. Their fund information is presented separately in the proprietary funds statement of net position, statement of revenues, expenses, and changes in net position, and in the statement of cash flows. The remaining individual proprietary fund statements are provided in the form of combining statements in a later section of this report.

The Town adopts an annual appropriated budget for four of its proprietary funds. Budgetary comparisons for the proprietary funds are included in a later section of this report. An annual budget is not prepared for the housing authority.

The basic proprietary fund financial statements can be found on pages 42-44 of this report.

Notes to the Financial Statements. The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements can be found on pages 45-70 of this report.

Combining Statements for the nonmajor governmental funds and nonmajor proprietary funds (referred to earlier) are presented following the notes to the financial statements. In addition, budget schedules for nonmajor governmental funds and all of the proprietary funds other than the housing authority are also presented in this section. This information can be found on pages 71-102.

Government-wide Financial Analysis

Statement of Net Position. As noted above, over time net position may serve as a useful indicator of a government's financial position. As of December 31, 2014, the Town's net position (assets and deferred outflows of resources less liabilities and deferred inflows of resources) was \$277.5 million, an increase of \$9.4 million over the total at December 31, 2013. The Town reported positive balances in net position for both governmental and business-type activities. Net position increased by \$3.2 million in its governmental activities and \$6.2 million in its business-type activities.

The following table reflects the Town's condensed statement of net position.

Statement of Net Position as of December 31 (in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	\$ 43,027	\$ 38,633	\$ 30,419	\$ 30,452	\$ 73,446	\$ 69,085
Capital assets	97,531	92,939	218,831	217,086	316,362	310,025
Total Assets	140,558	131,572	249,250	247,538	389,808	379,110
Deferred Outflows of Resources	1,080	1,176	1,240	1,354	2,320	2,530
Liabilities						
Long-term liabilities	22,377	16,625	80,195	84,243	102,572	100,868
Other liabilities	6,584	6,914	1,262	1,817	7,846	8,731
Total Liabilities	28,961	23,539	81,457	86,060	110,418	109,599
Deferred Inflows of Resources	4,252	3,994	-	-	4,252	3,994
Net Position						
Net investment						
in capital assets	81,995	77,940	144,137	139,956	226,132	217,896
Restricted	18,522	19,769	1,960	1,699	20,482	21,468
Unrestricted	7,908	7,506	22,936	21,177	30,844	28,683
Total Net Position	\$ 108,425	\$ 105,215	\$ 169,033	\$ 162,832	\$ 277,458	\$ 268,047

The Town's net investment in capital assets represents 82% of its net position. These capital assets are used to provide necessary services to citizens and are therefore not available for future spending. It should be noted that the resources to repay the debt must be provided from other sources, since capital assets themselves cannot be liquidated to provide the resources.

Restricted net position accounts for 7% of its total net position, representing resources that are subject to external restrictions on how they may be used. The remaining component of net position is unrestricted, representing 11% of the Town's total net position and may be used to meet ongoing obligations to the Town's residents and creditors.

Statement of Activities. The following table provides a summary of the Town's statement of activities.

Statement of Activities for the year ending December 31 (in thousands)

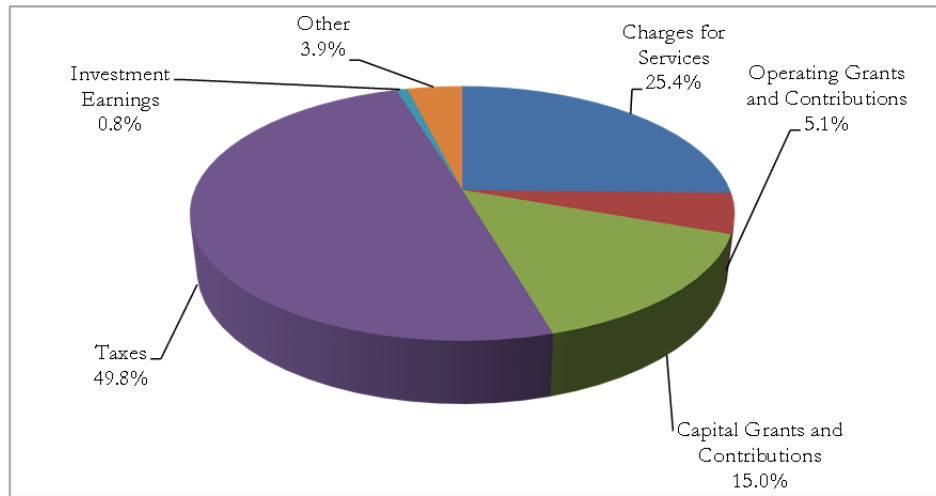
	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues						
Program revenues						
Charges for services	\$ 5,405	\$ 4,958	\$ 11,292	\$ 11,033	\$ 16,697	\$ 15,991
Operating grants and contributions	1,096	1,021	55	66	1,151	1,087
Capital grants and contributions	3,188	2,154	9,196	7,674	12,384	9,828
General revenues						
Taxes	10,621	9,816	-	-	10,621	9,816
Grants	208	104	-	-	208	104
Investment earnings	169	102	133	83	302	185
Other	614	213	61	376	675	589
Total revenues	21,301	18,368	20,737	19,232	42,038	37,600
Expenses						
General government	4,173	3,425	-	-	4,173	3,425
Public safety	2,811	2,563	-	-	2,811	2,563
Public works	5,607	5,365	-	-	5,607	5,365
Parks and recreation	4,591	4,528	-	-	4,591	4,528
Interest on long-term debt	681	649	-	-	681	649
Water	-	-	8,989	8,177	8,989	8,177
Wastewater	-	-	4,980	4,677	4,980	4,677
Storm drainage	-	-	413	447	413	447
Airport	-	-	263	446	263	446
Erie Housing Authority	-	-	119	111	119	111
Total expenses	17,863	16,530	14,764	13,858	32,627	30,388
Increase in net position before transfers	3,438	1,838	5,973	5,374	9,411	7,212
Transfers	(228)	(18)	228	18	-	-
Increase in net position	3,210	1,820	6,201	5,392	9,411	7,212
Net position - beginning - restated	105,215	103,395	162,832	157,440	268,047	260,835
Net position - ending	\$ 108,425	\$ 105,215	\$ 169,033	\$ 162,832	\$ 277,458	\$ 268,047

Governmental Activities – Revenues: During 2014, the Town's primary revenue sources for governmental operations were taxes, accounting for 50% of total governmental revenues. Charges for services made up 25% of total governmental revenues while capital grants and contributions represented 15%. Program revenues were \$7.7 million less than expenses. This is an ordinary occurrence for governments and indicates that taxes provide a primary source of revenues to support governmental operations.

Taxes increased by \$0.8 million, or 8%, due primarily to an increase of \$0.7 million, or 15%, in sales and use taxes over 2013 amounts as the economy continued to improve and building activity increased. Capital grants and contributions increased \$1.0 million, or 48%, primarily related to Federal and state grants for repairs due to the 2013 flood. Charges for services increased \$0.4 million, or 9%, compared to 2013, reflecting increased levels of building permits and related development activity.

The following chart provides the breakdown of revenues by source for 2014:

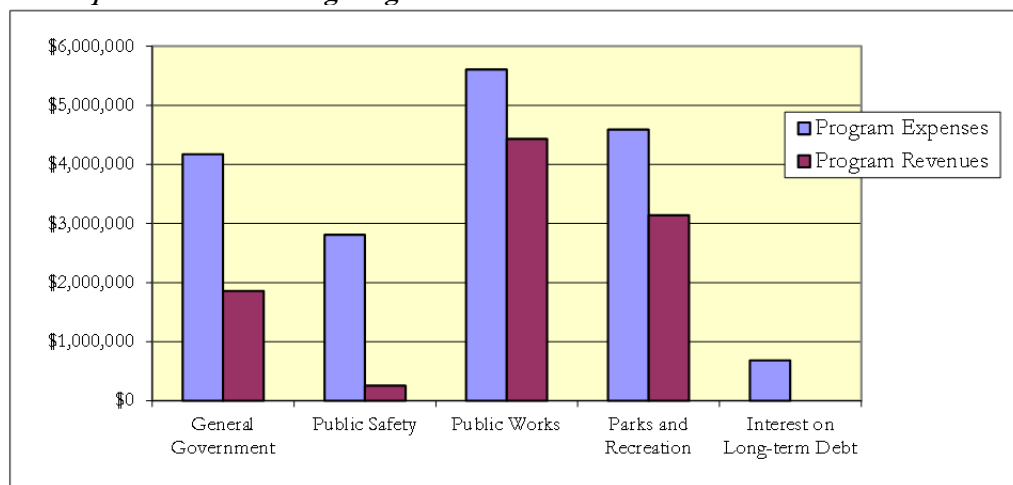
2014 Revenues by Source – Governmental Activities



Governmental Activities – Expenses: Total governmental activities expenses were \$17.9 million in 2014, an increase of \$1.3 million, or 8%, compared to 2013. Public works expense represented the largest area of governmental expenses at 31% of total expenses in 2014. Parks and recreation expense made up 26% of the total, general government 23%, and public safety 16%, with interest expense accounting for the remaining 4% of total expenses. Contributing to the \$1.3 million increase over 2013 was an increase of \$0.5 million, or 7%, in personnel expense. This increase was due to positions added in 2013 and 2014 to support the Town's growth and annual pay increases. Positions added included two police officers, a planner, an engineer and a staff accountant. Also giving rise to the increase in expenses were litigation expense, repair costs related to the 2013 flood and higher depreciation expense.

The following chart provides a comparison of expenses by function compared to the related program revenues:

2014 Expenses and Offsetting Program Revenues – Governmental Activities

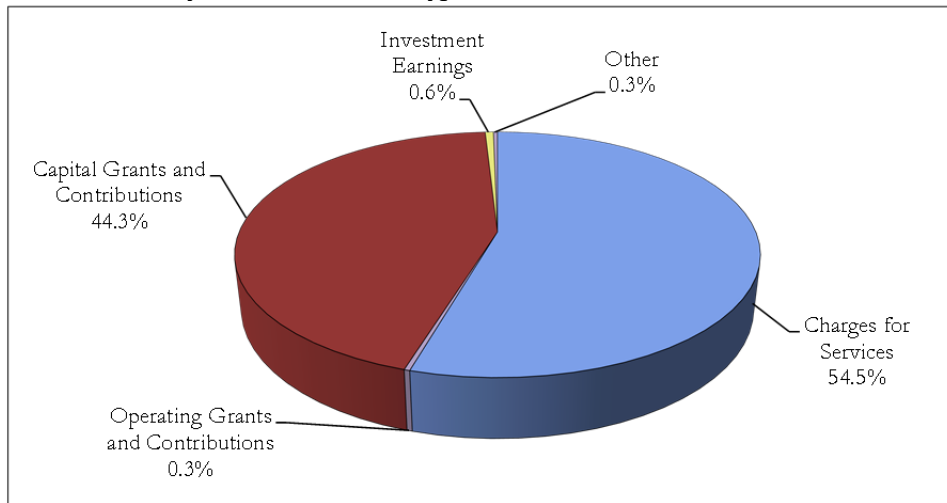


Business-type Activities – Revenues: Business-type activities primarily rely on charges for services to support related expenses. Charges for services of \$11.3 million for business-type activities represented 54% of 2014 revenues, and increased \$0.3 million, or 2%, compared to the prior year. This increase was due primarily to an increase in the number of customers.

The other primary source of revenue, representing 44% of revenues, comes primarily from capital contributions in the form of tap fees, developer-constructed donated capital and reimbursements, and grants. This source of revenue increased \$1.5 million, or 20%, compared to 2013, due primarily to higher levels of tap fees and other related fees arising from the increase in residential building activity during 2014.

The following chart provides the breakdown of revenues by source for 2014:

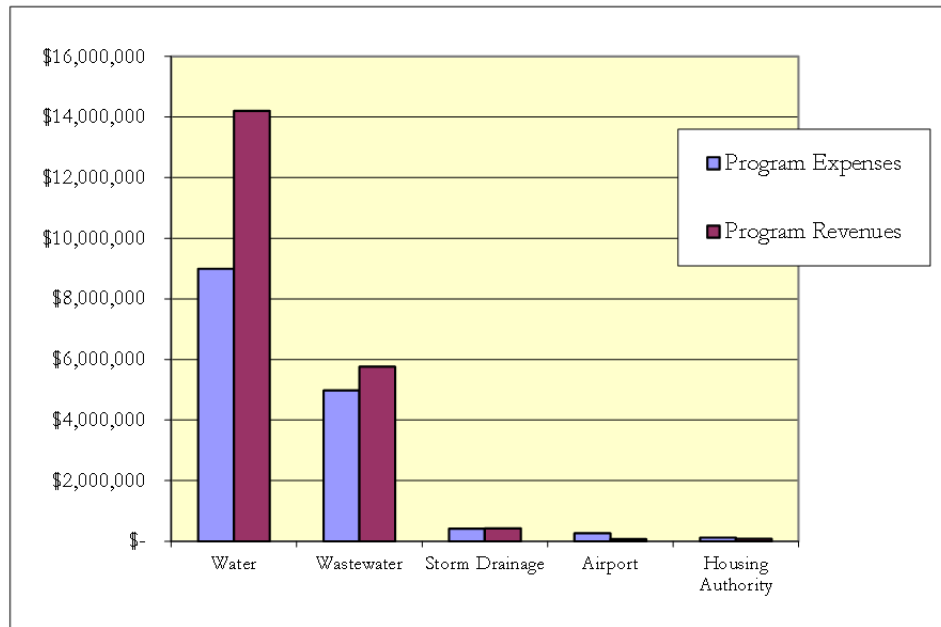
2014 Revenues by Source – Business-type Activities



Business-type Activities – Expenses: Business-type expenses were \$14.8 million in 2014, an increase of \$0.9 million, or 7%, compared to 2013. This increase was due in part to 2013 flood-related repairs and increased Colorado-Big Thompson assessment fees. In addition, personnel costs increased over 2013 due to staff additions in 2013 and 2014 to support the Town's growing water and wastewater infrastructure.

The following chart provides a comparison of expenses by function compared to the related program revenues:

2014 Program Expenses and Offsetting Program Revenues – Business-type Activities



Financial Analysis of the Town's Funds

As discussed earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. Unassigned fund balance is one of five fund balance classifications, as follows: nonspendable, restricted, committed, assigned, and unassigned fund balance.

Fund balances are the differences between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in a governmental fund. The nonspendable fund balance includes amounts that are not in spendable form, or amounts that are required to be maintained intact. Restricted fund balance includes amounts that can be spent only for the specific purposes stipulated by external providers, such as grant providers or bondholders, as well as amounts that are restricted constitutionally or through legislation. Committed fund balance includes amounts that can be used only for the specific purposes that are determined by a formal action of the government's highest level of decision making authority. Assigned fund balance applies to amounts that are intended for specific purposes as expressed by the

governing body and applies to remaining resources in any governmental fund other than the general fund. Unassigned fund balances include all amounts not contained in other classifications for the general fund, and deficit fund balances in any other governmental fund.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$31.7 million. Of that amount, \$4.6 million was nonspendable, \$23.4 million was restricted, \$0.2 million was committed \$0.1 million was assigned, and \$3.5 million was unassigned fund balance.

The General Fund, the primary operating fund of the Town, had a fund balance at December 31, 2014, of \$19.8 million, of which \$4.6 million was nonspendable, \$7.2 million was restricted, and \$0.1 million assigned. The remainder of the fund balance, or \$7.9 million, was unassigned.

As just noted, the General Fund has \$4.6 million in nonspendable fund balance. This amount primarily represents the noncurrent portion of advances to the urban renewal authority, used to fund operations and the acquisition of certain properties in planned urban renewal areas. This advance will be repaid by the URA as urban renewal projects are identified and tax increment bond financing related to these projects is obtained by the URA.

As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures. The unassigned fund balance of \$7.9 million represents 45% of total General Fund expenditures for 2014. The Town has two General Fund reserve policies. The first is that a reserve of 25% of expenditures be maintained. Based on 2015 budgeted expenditures the required reserve is \$3.9 million. In addition, the Board has established an additional reserve to allow the Town to maintain service levels during years when revenues decline due to economic conditions. This reserve was established at \$7.5 million in 2010.

The General Fund unassigned fund balance of \$7.9 million is less than the total of the two required policy reserves of \$11.4 million. However, as noted above, at 45% of current expenditures, management considers the General Fund unassigned fund balance to be very strong in both absolute terms and in comparison to similar municipalities. In addition, repayment of the \$4.6 million in advances to the URA will reduce the amount of nonspendable fund balance, increasing unassigned fund balance in an equal amount.

Providing additional strength to the General Fund are funds available in the Solid Waste/Streets Fund. Created in 2013, this fund originated through a transfer of \$2.8 million in restricted funds from the General Fund. Permitted uses of these funds are expended through the General Fund, with the Solid Waste/Streets Fund transferring funds to the General Fund in an amount equal to these permitted expenditures. If the year-end fund balance of \$2.1 million in this fund is added to the unassigned fund balance in the General Fund, the percentage of General Fund current expenditures covered grows to 64%.

Total fund balance of the General Fund increased \$5.6 million for the current year. This increase reflected the receipt of proceeds from bonds issued in 2014 for the construction of

a new public safety and municipal court building, net of related construction expenditures on the building during 2014. Excluding the effect of the issuance of bonds for the new public safety building and related construction costs, General Fund total revenues and other sources of funds exceeded total expenditures and other uses of funds by approximately \$0.8 million.

The other major governmental fund in 2014 was the Trails and Natural Areas Fund. The Trails and Natural Areas Fund's primary revenue source is property tax, arising from a 4 mill levy originally approved by voters in 2004. Revenues of the fund are used to acquire, construct and develop trails and open space. Revenues and other fund sources of the fund for 2014 were \$1.3 million and expenditures were \$2.4 million, resulting in a reduction in fund balance of \$1.1 million. Expenditures for 2014 reflected the purchase of several open space parcels and trail construction.

Fund balances remain strong in the other governmental funds. Excluding the Town's urban renewal authority, a total of \$13.5 million in fund balances are restricted or committed for future capital outlays and similar purposes.

See Note I.D.9. on pages 53-54, Note II.B. on page 55 and Note III.D. on page 61 for more information.

Proprietary Funds

The Town's proprietary fund financial statements provide the same type of information as found in the government-wide financial statements, but in more detail. All of the Town's proprietary funds are enterprise funds engaged in business-type activities.

The total net position of all enterprise funds as of December 31, 2014, was \$169.0 million, of which \$22.9 million was unrestricted net position. Total net position increased \$6.2 million over the prior year.

The \$6.2 million increase in total net position is largely attributable to an increase of \$5.3 million in net position in the Water Fund. This favorable change was due to an increase in capital contributions of \$1.6 million, or 27%, to \$7.6 million in 2014. Operating revenues (charges for services) were \$6.5 million, an increase of \$0.1 million, or 2%, compared to 2013 due to an increase in the number of customers, partially offset by reduced demand. Operating expenses increased \$0.7 million, or 13%, to \$6.6 million, primarily due to 2013 flood-related expenses, most of which either have been or will be reimbursed through federal and state grants.

In the Wastewater Fund net position increased \$0.8 million. Operating revenues (charges for services) were \$4.3 million, a \$0.1 million, or 3%, increase over 2013. This increase can be attributed to an increase in the number of customers. Capital contributions increased \$0.2 million, or 15%, compared to 2013 for the reasons discussed above. Operating expenses increased \$0.3 million, or 9%, to \$4.0 million, primarily reflecting increases in system maintenance costs.

General Fund Budgetary Highlights

The 2014 General Fund final expenditure budget was \$24.5 million, an increase of \$7.6 million over the original budget. This increase was due primarily to supplemental appropriations of \$7.2 million for various capital projects, of which the new public safety building represented \$6.3 million and 2013 flood-related repairs represented \$0.6 million. The increase in budgeted expenditures was funded with additional revenues, including \$6.5 million in bond proceeds. Actual 2014 General Fund expenditures amounted to \$17.6 million, approximately \$6.9 million less than the final budget. This relationship was due to timing of capital expenditures and expense control. Additional information can be found in “Governmental Funds” above.

Capital Assets and Debt Administration

Capital Assets

The Town’s capital assets net of accumulated depreciation as of December 31, 2014, for its governmental and business-type activities amounted to \$316.4 million, an increase of \$6.3 million from December 31, 2013. The increase in capital assets was the result of \$14.0 million in additions, partially offset by \$7.7 million in depreciation. The investment in capital assets includes land, water rights, buildings, improvements, machinery, equipment, and vehicles. It includes governmental activities as well as water, wastewater, airport, storm drainage, and housing authority infrastructure.

Capital Assets at Year End (net of accumulated depreciation, in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	\$ 14,063	\$ 11,942	\$ 7,882	\$ 7,754	\$ 21,945	\$ 19,696
Water rights	-	-	75,390	75,390	75,390	75,390
Buildings	25,752	26,233	857	892	26,609	27,125
Improvements other than buildings	53,480	51,628	126,290	128,041	179,770	179,669
Machinery, equipment, and vehicles	1,219	1,059	568	432	1,787	1,491
Construction in progress	3,017	2,077	7,844	4,577	10,861	6,654
Total Capital Assets	<u>\$ 97,531</u>	<u>\$ 92,939</u>	<u>\$ 218,831</u>	<u>\$ 217,086</u>	<u>\$ 316,362</u>	<u>\$ 310,025</u>

Major capital improvements during the fiscal year ended December 31, 2014, included the following:

Governmental Activities (total additions - \$7.7 million)

- Open space purchases (\$2.1 million)
- Construction of public safety facility (\$1.5 million)
- Erie Parkway improvements (\$1.5 million)
- Street overlay projects (\$0.8 million)

Business-type Activities (total additions - \$6.3 million)

- Construction of 4 million gallon water storage tank (\$3.6 million)
- Storm drainage system improvement projects (\$0.8 million)
- Upgrade/replacement of membrane unit at water treatment facility (\$0.7 million)

Additional information on the Town's capital assets can be found in Note III.C. on pages 59-60 of this report.

Long-Term Debt

At the end of 2014, the Town had \$101.4 million in total outstanding long-term debt, an increase of \$1.2 million from December 31, 2013. Of this amount, \$21.3 million represents general obligation bonds secured by all available Town revenue. The remainder is primarily secured by specific revenue sources (e.g., water revenues) and water rights. The following table summarizes long-term debt outstanding as of December 31, 2014, and 2013.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ 21,250	\$ 15,924	\$ -	\$ -	\$ 21,250	\$ 15,924
Revenue bonds and loans	-	-	54,127	54,983	54,127	54,983
Certificates of participation	-	-	25,105	28,295	25,105	28,295
Mortgages and loans payable	-	-	746	759	746	759
Capital lease obligations	195	251	-	-	195	251
Total Debt Outstanding	<u>\$ 21,445</u>	<u>\$ 16,175</u>	<u>\$ 79,978</u>	<u>\$ 84,037</u>	<u>\$ 101,423</u>	<u>\$ 100,212</u>

During 2014 the Town issued \$6.2 million of general obligation bonds for the construction of a public safety and municipal court building, approved by voters in April 2014. A 2 mill property tax levy approved by the voters will be assessed beginning in 2015 to pay the debt service on these bonds. The bonds were rated AA+ by Standard & Poor's.

Also in 2014, the Town refunded \$27.8 million of certificates of participation (COP's) originally issued by the water fund in 2005 to finance the purchase of water rights. These COP's carried a fixed rate of interest through September 30, 2015, at which time they would convert to a variable rate of interest, reset weekly. As a result of this refunding, the Town was able to convert the COP's to a fixed rate of interest through final maturity in 2040, with an effective interest rate of 3.73%, significantly reducing the Town's interest rate and liquidity risk. The COP's were rated AA by Standard & Poor's.

State statutes limit the amount of general obligation debt the Town may issue to 3% of estimated actual valuation. The current debt limitation for the Town is \$73.2 million.

Additional information on the Town's long-term debt can be found in Note III.E. on pages 61-66 of this report.

Economic Factors and Next Year's Budget

There are several factors that drive the Town's budget and financial performance. Some of these factors include area employment rates, retail sales, motor vehicle sales, construction activity, population growth, and capital infrastructure needs.

After several years of flat single family residential growth, which followed several years of very rapid growth, local residential construction increased significantly in 2014, with building permits increasing from 248 in 2013 to 291 in 2014 and 400 expected in 2015. The Town will continue to conserve resources until its commercial base grows, providing consistent and higher levels of sales and use tax. The Town has set aside significant amounts of reserves in the General Fund to enable it to continue to provide required services should an economic downturn occur.

The 2015 budget was approved by the Board of Trustees in December 2014. The General Fund, the Town's primary operating fund, has 2015 budgeted expenditures (excluding transfers) of \$17.0 million, a \$7.5 million decrease from the final 2014 budget due to various capital projects budgeted in 2014. Staffing to be funded by the General Fund was increased by 2 fulltime equivalent employees to address growth requirements, both in the police department.

Financial Contact

This financial report is designed to provide users (citizens, taxpayers, customers, investors, creditors, and other interested parties) with a general overview of the Town's finances and to demonstrate the Town's accountability and compliance with generally accepted accounting principles. Questions concerning any of the information presented in this report or requests for additional information should be addressed to the Town of Erie, Finance Director, P.O. Box 750, 645 Holbrook St., Erie, CO, 80516.

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Basic Financial Statements

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Town of Erie, Colorado
Statement of Net Position
December 31, 2014

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Pooled Cash and Investments	\$ 31,917,346	\$ 22,712,639	\$ 54,629,985
Restricted Cash and Investments	4,829,365	5,672,735	10,502,100
Receivables, Net of Allowance for Uncollectibles	6,048,917	1,664,428	7,713,345
Internal Balances	170,000	(170,000)	-
Prepaid Items	62,032	537,947	599,979
Capital Assets Not Being Depreciated			
Land and Water Rights	14,063,157	83,272,179	97,335,336
Construction in Progress	3,016,682	7,843,607	10,860,289
Capital Assets, Net of Accumulated Depreciation	80,451,331	127,715,550	208,166,881
Total Assets	140,558,830	249,249,085	389,807,915
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Charges on Refunding	1,079,725	1,240,344	2,320,069
Total Deferred Outflows of Resources	1,079,725	1,240,344	2,320,069
LIABILITIES			
Accounts Payable	2,232,452	537,902	2,770,354
Accrued Interest Payable	62,207	282,064	344,271
Accrued Wages Payable	292,800	119,508	412,308
Other Liabilities	3,300,238	91,927	3,392,165
Unearned Revenue	696,124	230,775	926,899
Noncurrent Liabilities:			
Due within one year	1,993,642	3,048,706	5,042,348
Due in more than one year	20,383,690	77,145,820	97,529,510
Total Liabilities	28,961,153	81,456,702	110,417,855
DEFERRED INFLOWS OF RESOURCES			
Property Taxes	4,252,443	-	4,252,443
Total Deferred Inflows of Resources	4,252,443	-	4,252,443
NET POSITION			
Net Investment in Capital Assets	81,995,267	144,136,677	226,131,944
Restricted			
Capital Projects	12,684,774	-	12,684,774
Parks and Open Space	3,216,789	-	3,216,789
Solid Waste/Streets	2,066,926	-	2,066,926
Public Safety	6,196	-	6,196
Bond Reserves	-	838,599	838,599
Operations and Maintenance Reserves	-	706,425	706,425
Emergencies	547,015	-	547,015
Water Rights Purchase Escrow	-	415,211	415,211
Unrestricted	7,907,992	22,935,815	30,843,807
Total Net Position	\$ 108,424,959	\$ 169,032,727	\$277,457,686

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Statement of Activities
For the Year Ended December 31, 2014

		Program Revenues			
		Charges for	Operating	Capital	
Expenses		Services	Grants and	Grants and	Total
			Contributions	Contributions	
FUNCTION ACTIVITIES					
Primary Government					
Governmental Activities					
General Government	\$ 4,173,232	\$ 1,199,010	\$ 79,501	\$ 582,857	\$ 1,861,368
Public Safety	2,810,944	249,004	5,215	-	254,219
Public Works	5,607,191	2,021,365	845,481	1,567,061	4,433,907
Parks and Recreation	4,591,031	1,935,127	165,520	1,038,578	3,139,225
Interest on Long-Term Debt	681,174	-	-	-	-
Total Governmental Activities	17,863,572	5,404,506	1,095,717	3,188,496	9,688,719
Business-Type Activities					
Water	8,988,723	6,514,590	54,829	7,629,257	14,198,676
Wastewater	4,980,408	4,267,375	-	1,496,370	5,763,745
Storm Drainage	412,940	425,161	-	6,080	431,241
Airport	263,355	5,200	-	64,668	69,868
Erie Housing Authority	119,300	79,878	-	-	79,878
Total Business-Type Activities	14,764,726	11,292,204	54,829	9,196,375	20,543,408
Total Primary Government	\$ 32,628,298	\$ 16,696,710	\$ 1,150,546	\$ 12,384,871	\$ 30,232,127

The notes to the financial statements are an integral part of this statement.

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (2,311,864)	\$ -	\$ (2,311,864)
	(2,556,725)	-	(2,556,725)
	(1,173,284)	-	(1,173,284)
	(1,451,806)	-	(1,451,806)
	(681,174)	-	(681,174)
	(8,174,853)	-	(8,174,853)
	-	5,209,953	5,209,953
	-	783,337	783,337
	-	18,301	18,301
	-	(193,487)	(193,487)
	-	(39,422)	(39,422)
	-	5,778,682	5,778,682
	(8,174,853)	5,778,682	(2,396,171)
GENERAL REVENUES			
Taxes:			
Property	3,993,379	-	3,993,379
Sales and Use	5,633,645	-	5,633,645
Franchise	708,894	-	708,894
Specific Ownership	286,551	-	286,551
Grants and Contributions not Restricted to Specific Programs	207,505	-	207,505
Investment Earnings	169,030	132,694	301,724
Miscellaneous and Other	613,890	61,202	675,092
Transfers In (Out)	(228,157)	228,157	-
Total General Revenues and Transfers	11,384,737	422,053	11,806,790
Changes in Net Position	3,209,884	6,200,735	9,410,619
Net Position - Beginning	105,215,075	162,831,992	268,047,067
Net Position - Ending	\$ 108,424,959	\$ 169,032,727	\$ 277,457,686

Town of Erie, Colorado
Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	Trails and Natural Areas Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Pooled Cash and Investments	\$ 14,663,814	\$ 2,856,405	\$ 14,397,127	\$ 31,917,346
Restricted Cash and Investments	4,829,365	-	-	4,829,365
Receivables	4,728,667	982,388	337,862	6,048,917
Prepaid Items	43,313	-	-	43,313
Advances to Other Funds	4,552,881	-	-	4,552,881
Total Assets	<u>\$ 28,818,040</u>	<u>\$ 3,838,793</u>	<u>\$ 14,734,989</u>	<u>\$ 47,391,822</u>
LIABILITIES				
Accounts Payable	\$ 1,511,556	\$ 61,553	\$ 659,343	\$ 2,232,452
Wages Payable	287,465	-	5,335	292,800
Other Liabilities	3,300,238	-	-	3,300,238
Advances from Other Funds	-	-	4,382,881	4,382,881
Unearned Revenue	196,124	-	500,000	696,124
Total Liabilities	<u>5,295,383</u>	<u>61,553</u>	<u>5,547,559</u>	<u>10,904,495</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes	3,272,945	979,498	-	4,252,443
Unavailable Fund Resources	449,616	-	68,271	517,887
Total Deferred Inflows of Resources	<u>3,722,561</u>	<u>979,498</u>	<u>68,271</u>	<u>4,770,330</u>
FUND BALANCES				
Nonspendable				
Interfund Advances - Noncurrent	4,552,881	-	-	4,552,881
Prepaid Items	43,313	-	-	43,313
Restricted for:				
Capital Projects	6,630,557	-	10,883,582	17,514,139
Parks and Open Space	-	2,797,742	419,047	3,216,789
Solid Waste/Streets	-	-	2,066,926	2,066,926
Emergency Reserves	547,015	-	-	547,015
Public Safety	-	-	6,196	6,196
Committed to:				
Cemetery Operations	-	-	151,996	151,996
Assigned to:				
Purchases on Order	67,130	-	-	67,130
Subsequent Year's Budget -				
Appropriation of Fund Balance	64,100	-	-	64,100
Unassigned	7,895,100	-	(4,408,588)	3,486,512
Total Fund Balances	<u>19,800,096</u>	<u>2,797,742</u>	<u>9,119,159</u>	<u>31,716,997</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 28,818,040</u>	<u>\$ 3,838,793</u>	<u>\$ 14,734,989</u>	<u>\$ 47,391,822</u>

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
December 31, 2014

	<u>Amount</u>
The amounts reported as Governmental Activities on the Statement of Net Position (page 33) are different because:	
Total Fund Balances - Governmental Funds (page 36)	\$ 31,716,997
Capital assets utilized in Governmental Activities are not financial resources and therefore are not reported in the fund financial statements.	97,531,170
Certain receivables are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.	517,887
Long-term liabilities and related items are not due and payable in the current period and therefore are not reported in the fund financial statements.	
Bonds payable	(19,755,000)
Capital lease obligations	(195,470)
Unamortized issuance premium	(1,494,523)
Unamortized deferred refunding loss	1,079,725
Unamortized bond insurance premiums	18,719
Accrued interest payable	(62,207)
Compensated absences	(482,339)
Litigation reserve	<u>(450,000)</u>
Total long-term liabilities and related items	<u>(21,341,095)</u>
Net Position - Governmental Activities (page 33)	<u>\$108,424,959</u>

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2014

	General Fund	Trails and Natural Areas Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 9,658,292	\$ 964,177	\$ -	\$ 10,622,469
Intergovernmental	1,274,677	-	190,769	1,465,446
Licenses and Permits	1,534,533	-	-	1,534,533
Fees and Charges for Services	1,938,471	-	1,682,498	3,620,969
Fines and Forfeitures	249,004	-	-	249,004
Capital Contributions and Fees	17,649	-	2,586,714	2,604,363
Investment Earnings	71,712	17,760	79,558	169,030
Miscellaneous	203,135	-	-	203,135
Total Revenues	14,947,473	981,937	4,539,539	20,468,949
EXPENDITURES				
Current Operating:				
General Government	2,591,795	-	343,295	2,935,090
Public Safety	2,699,615	-	-	2,699,615
Public Works	3,851,553	-	121,944	3,973,497
Parks and Recreation	3,028,518	31,064	-	3,059,582
Capital Outlay	3,483,712	2,341,270	2,686,692	8,511,674
Debt Service				
Principal	1,125,320	-	-	1,125,320
Interest	683,515	-	-	683,515
Debt Issuance Costs	110,693	-	-	110,693
Total Expenditures	17,574,721	2,372,334	3,151,931	23,098,986
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,627,248)	(1,390,397)	1,387,608	(2,630,037)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,803,700	-	-	1,803,700
Transfers Out	(228,157)	-	(1,803,700)	(2,031,857)
Bonds Issued	6,200,000	-	-	6,200,000
Premium on Bonds Issued	308,716	-	-	308,716
Sale of Capital Assets	7,380	-	-	7,380
Insurance Recoveries	33,374	-	-	33,374
Proceeds from Litigation Settlements	81,878	288,122	-	370,000
Total Other Financing Sources (Uses)	8,206,891	288,122	(1,803,700)	6,691,313
Net Change in Fund Balance	5,579,643	(1,102,275)	(416,092)	4,061,276
Fund Balance - Beginning	14,220,453	3,900,017	9,535,251	27,655,721
Fund Balance - Ending	\$ 19,800,096	\$ 2,797,742	\$ 9,119,159	\$ 31,716,997

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2014

	<u>Amount</u>
The amounts reported as Governmental Activities on the Statement of Activities (pages 34-35) are different because:	
Net Changes in Fund Balances - Governmental Funds (page 38)	\$ 4,061,276
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense.	
Capital outlays	7,727,608
Depreciation expense	<u>(3,135,489)</u>
Excess of capital outlays over depreciation	4,592,119
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	421,910
Governmental Funds report principal payments as expenditures. However, in the Statement of Activities these payments are reflected as a reduction in long-term debt obligations.	1,125,320
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the Governmental Funds.	
Change in accrued interest	(14,452)
Change in accrued compensated absences	(32,247)
Litigation reserve accrual	(450,000)
Amortization of premiums, discounts, deferred refunding losses and bond insurance premiums	<u>14,674</u>
Total expenses not requiring current resources	(482,025)
Governmental Funds report proceeds from borrowings as other financing sources. However, in the Statement of Net Position these proceeds are reflected as debt obligations.	<u>(6,508,716)</u>
Change in Net Position - Governmental Activities (page 35)	<u>\$ 3,209,884</u>

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
General Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Taxes	\$ 8,983,000	\$ 9,183,000	\$ 9,658,292	\$ 475,292
Intergovernmental	1,062,200	1,876,900	1,274,677	(602,223)
Licenses and Permits	1,115,000	1,225,000	1,534,533	309,533
Fees and Charges for Services	1,914,500	1,907,500	1,938,471	30,971
Fines and Forfeitures	218,000	235,000	249,004	14,004
Capital Contributions and Fees	-	17,600	17,649	49
Investment Earnings	80,000	60,000	71,712	11,712
Miscellaneous	296,400	282,400	203,135	(79,265)
Total Revenues	13,669,100	14,787,400	14,947,473	160,073
EXPENDITURES				
Current Operating:				
General Government				
Legislative	348,800	348,900	251,362	97,538
Town Administration	1,265,200	1,365,400	1,155,485	209,915
Community Development	705,100	705,700	547,218	158,482
Finance	443,600	468,600	454,885	13,715
Central Charges	170,600	190,900	182,845	8,055
Public Safety	2,654,600	2,714,500	2,699,615	14,885
Public Works	4,252,900	4,362,400	3,851,553	510,847
Parks and Recreation	3,279,700	3,232,300	3,028,518	203,782
Capital Outlay	1,994,500	9,144,800	3,483,712	5,661,088
Debt Service				
Principal	1,142,900	1,125,400	1,125,320	80
Interest	565,200	685,200	683,515	1,685
Debt Issuance Costs	-	110,700	110,693	7
Total Expenditures	16,823,100	24,454,800	17,574,721	6,880,079
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,154,000)	(9,667,400)	(2,627,248)	7,040,152
OTHER FINANCING SOURCES (USES)				
Transfers In	2,148,000	2,278,100	1,803,700	(474,400)
Transfers Out	(35,000)	(235,000)	(228,157)	6,843
Bonds Issued	-	6,200,000	6,200,000	-
Premium on Bonds Issued	-	308,700	308,716	16
Sale of Capital Assets	-	-	7,380	7,380
Insurance Recoveries	-	32,600	33,374	774
Proceeds from Litigation Settlements	-	-	81,878	81,878
Total Other Financing Sources (Uses)	2,113,000	8,584,400	8,206,891	(377,509)
Net Change in Fund Balance	\$ (1,041,000)	\$ (1,083,000)	5,579,643	\$ 6,662,643
Fund Balance - Beginning			14,220,453	
Fund Balance - Ending			\$ 19,800,096	

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Trails & Natural Areas Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Taxes	\$ 964,700	\$ 964,700	\$ 964,177	\$ (523)
Investment Earnings	2,800	2,800	17,760	14,960
Total Revenues	967,500	967,500	981,937	14,437
EXPENDITURES				
Current Operating:				
Parks and Recreation	-	16,200	31,064	(14,864)
Capital Outlay	1,092,000	2,664,200	2,341,270	322,930
Total Expenditures	1,092,000	2,680,400	2,372,334	308,066
Excess (Deficiency) of Revenues Over (Under) Expenditures	(124,500)	(1,712,900)	(1,390,397)	322,503
OTHER FINANCING SOURCES (USES)				
Proceeds from Litigation Settlements	-	-	288,122	288,122
Total Other Financing Sources (Uses)	-	-	288,122	288,122
Net Change in Fund Balance	\$ (124,500)	\$ (1,712,900)	(1,102,275)	\$ 610,625
Fund Balance - Beginning			3,900,017	
Fund Balance - Ending			<u>\$ 2,797,742</u>	

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Statement of Net Position
Proprietary Funds
December 31, 2014

	Business-type Activities - Proprietary Funds			
	Water Fund	Wastewater Fund	Nonmajor Proprietary Funds	Total Proprietary Funds
ASSETS				
Current Assets				
Pooled Cash and Investments	\$ 11,009,595	\$ 10,715,128	\$ 987,916	\$ 22,712,639
Restricted Cash and Investments	3,252,515	2,045,684	374,536	5,672,735
Receivables	998,180	574,551	91,697	1,664,428
Prepaid Items	335,615	201,117	1,215	537,947
Total Current Assets	15,595,905	13,536,480	1,455,364	30,587,749
Noncurrent Assets				
Capital Assets				
Construction in Progress	7,059,197	91,009	693,401	7,843,607
Land and Water Rights	82,557,157	59,022	656,000	83,272,179
Buildings, Property, and Equipment	82,597,327	61,687,147	18,486,117	162,770,591
Accumulated Depreciation	(19,255,448)	(11,319,256)	(4,480,337)	(35,055,041)
Total Capital Assets	152,958,233	50,517,922	15,355,181	218,831,336
Total Noncurrent Assets	152,958,233	50,517,922	15,355,181	218,831,336
Total Assets	168,554,138	64,054,402	16,810,545	249,419,085
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charges on Refunding	1,238,959	1,385	-	1,240,344
Total Deferred Outflows of Resources	1,238,959	1,385	-	1,240,344
LIABILITIES				
Current Liabilities				
Accounts Payable	351,926	77,917	108,059	537,902
Accrued Interest Payable	188,120	89,010	4,934	282,064
Wages Payable	62,001	50,501	7,006	119,508
Other Liabilities	87,928	-	3,999	91,927
Unearned Revenue	222,100	8,530	145	230,775
Compensated Absences	86,312	81,327	3,489	171,128
Current Portion of Long Term Debt				
Certificates of Participation Payable	695,000	-	-	695,000
Loans Payable	-	285,491	12,023	297,514
Bonds Payable	1,560,000	315,000	-	1,875,000
Mortgages Payable	-	-	10,064	10,064
Total Current Liabilities	3,253,387	907,776	149,719	4,310,882
Noncurrent Liabilities				
Compensated Absences	22,617	23,072	209	45,898
Advances from Other Funds			170,000	170,000
Long Term Debt, Net of Unamortized Premiums and Discounts				
Certificates of Participation Payable	25,822,666	-	-	25,822,666
Loans Payable	-	2,433,490	667,212	3,100,702
Bonds Payable	29,164,113	18,645,904	-	47,810,017
Mortgages Payable	-	-	366,537	366,537
Total Noncurrent Liabilities	55,009,396	21,102,466	1,203,958	77,315,820
Total Liabilities	58,262,783	22,010,242	1,353,677	81,626,702
NET POSITION				
Net Investment in Capital Assets	98,952,226	30,885,106	14,299,345	144,136,677
Restricted				
Bond Reserves	838,599	-	-	838,599
Operations and Maintenance Reserves	-	706,425	-	706,425
Water Rights Purchase Escrow	415,211	-	-	415,211
Unrestricted	11,324,278	10,454,014	1,157,523	22,935,815
Total Net Position	\$ 111,530,314	\$ 42,045,545	\$ 15,456,868	\$ 169,032,727

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Business Type Activities - Proprietary Funds			Total Proprietary Funds
	Water Fund	Wastewater Fund	Nonmajor Proprietary Funds	
OPERATING REVENUES				
Charges for Services	\$ 6,514,590	\$ 4,267,375	\$ 510,239	\$ 11,292,204
OPERATING EXPENSES				
Personnel Services	1,523,281	1,335,957	106,669	2,965,907
Operations and Maintenance	2,567,379	1,152,175	145,881	3,865,435
Depreciation	2,508,658	1,546,140	507,060	4,561,858
Total Operating Expenses	6,599,318	4,034,272	759,610	11,393,200
Net Operating Income (Loss)	(84,728)	233,103	(249,371)	(100,996)
NON-OPERATING REVENUES (EXPENSES)				
Investment Earnings	62,563	64,116	6,015	132,694
Intergovernmental	54,829	-	-	54,829
Other Non-Operating Income	4,231	-	56,971	61,202
Interest Expense	(2,134,292)	(946,136)	(35,919)	(3,116,347)
Issuance Costs	(255,113)	-	(4,251)	(259,364)
Gain (Loss) on Disposition of Capital Assets	-	-	4,185	4,185
Total Non-Operating Revenues (Expenses)	(2,267,782)	(882,020)	27,001	(3,122,801)
Loss Before Contributions and Transfers	(2,352,510)	(648,917)	(222,370)	(3,223,797)
Capital Contributions	7,629,257	1,496,370	70,748	9,196,375
Transfers In	-	-	228,157	228,157
Change in Net Position	5,276,747	847,453	76,535	6,200,735
Total Net Position - Beginning	106,253,567	41,198,092	15,380,333	162,831,992
Total Net Position - Ending	\$ 111,530,314	\$ 42,045,545	\$ 15,456,868	\$ 169,032,727

The notes to the financial statements are an integral part of this statement.

Town of Erie, Colorado
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	Business-type Activities - Proprietary Funds			Total Proprietary Funds
	Water Fund	Wastewater Fund	Nonmajor Proprietary Funds	
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 6,485,835	\$ 4,226,909	\$ 561,395	\$ 11,274,139
Payments to Employees	(1,502,404)	(1,327,211)	(102,730)	(2,932,345)
Payments to Suppliers	(2,959,686)	(1,137,060)	(140,887)	(4,237,633)
Net Cash Provided by Operating Activities	2,023,745	1,762,638	317,778	4,104,161
Cash Flows from Non-capital Financing Activities				
Operating Grants	-	-	26,824	26,824
Advance from Other Funds	-	-	110,461	110,461
Transfer from Other Funds	-	-	228,157	228,157
Cash Flows Provided by Non-capital Financing Activities	-	-	365,442	365,442
Cash Flows from Capital and Related Financing Activities				
Capital Grants	(360,237)	-	163,579	(196,658)
Receipts from Capital Debt	26,258,017	-	684,981	26,942,998
Acquisition and Construction of Capital Assets	(5,325,479)	(26,961)	(950,739)	(6,303,179)
Principal Paid on Capital Debt	(29,881,003)	(578,224)	(714,129)	(31,173,356)
Interest Paid on Capital Debt	(2,231,972)	(953,254)	(35,812)	(3,221,038)
Capital Contributions	7,559,817	1,462,050	6,080	9,027,947
Cash Flows Used in Capital and Related Financing Activities	(3,980,857)	(96,389)	(846,040)	(4,923,286)
Cash Flows from Investing Activities				
Purchase of Investments	(694,466)	-	(370,503)	(1,064,969)
Proceeds from Sale and Maturity of Investments	2,093,824	-	-	2,093,824
Earnings on Investments	62,497	51,974	6,432	120,903
Cash Flows Provided by (Used in) Investing Activities	1,461,855	51,974	(364,071)	1,149,758
Net Increase (Decrease) in Pooled Cash and Investments	(495,257)	1,718,223	(526,891)	696,075
Pooled Cash and Investments - January 1	11,504,852	8,996,905	1,514,807	22,016,564
Pooled Cash and Investments - December 31	\$ 11,009,595	\$ 10,715,128	\$ 987,916	\$ 22,712,639
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating Income (Loss)	\$ (84,728)	\$ 233,103	\$ (249,371)	\$ (100,996)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities				
Depreciation Expense	2,508,658	1,546,140	507,060	4,561,858
Other Income	4,231	-	56,971	61,202
(Increase) Decrease in				
Accounts Receivable	(62,564)	(40,466)	(5,558)	(108,588)
Prepaid Items	(9,054)	10,964	7,287	9,197
Increase (Decrease) in				
Accounts Payable	(383,253)	4,151	(2,494)	(381,596)
Wages Payable	12,836	5,412	3,969	22,217
Compensated Absences Payable	8,041	3,334	(30)	11,345
Other Liabilities	29,578	-	(201)	29,377
Deferred Revenue	-	-	145	145
Net Cash Provided by Operating Activities	\$ 2,023,745	\$ 1,762,638	\$ 317,778	\$ 4,104,161

The notes to the financial statements are an integral part of this statement.

Notes to the Financial Statements

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Town of Erie, Colorado
Notes to the Financial Statements
As of and for the year ended December 31, 2014

Note I. Summary of Significant Accounting Policies

The Town of Erie, Colorado (the Town), incorporated in 1874, is a statutory municipality governed by a trustee-administrator form of government through a Mayor and six-member Board of Trustees. The Town provides the following services: administration, community development, finance, human resources, parks and recreation, police, public works, water, wastewater, and storm drainage. The Town also owns the Erie Municipal Airport.

A. Reporting Entity

The accompanying financial statements present the Town (the primary government) and its component units for which the government is financially accountable. The blended component units discussed below are included in the Town's reporting entity because of the significance of their operational or financial relationship to the Town and to ensure that the financial statements are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the Town. The Town considers the Town of Erie Housing Authority and the Town of Erie Urban Renewal Authority as component units. Both authorities are separate organizations for which the Town is considered to be financially accountable.

The Town is financially accountable for an organization if the Town appoints a voting majority of the organization's governing board and (1) the Town is able to significantly influence the programs or services performed or provided by the organizations; or (2) the Town is legally entitled to or can otherwise access the organization's resources; the Town is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Town is obligated for the debt of the organization.

A town's component units are presented either as "blended" or "discretely presented." If blended, it is reported as if it were a fund of the Town throughout the year. It is included at both the government-wide and fund financial reporting levels.

A brief description of the blended component units follow:

Town of Erie Housing Authority (EHA) –The EHA constructed and operates the senior housing complex. Daily operations of the complex are managed by Pillar Property Services, LLC. The EHA's activities directly benefit the citizens of the Town. The Town Board of Trustees serves as the EHA Board of Commissioners. The EHA is reported as a proprietary fund. Separate audited financial statements of the EHA are not available.

Town of Erie Urban Renewal Authority (EURA) – The EURA was created in 2011 by action of the Town Mayor and Board of Trustees, who serve as its Board of Commissioners, under the Colorado Urban Renewal Law. The EURA is charged with the creation and

Note I. Summary of Significant Accounting Policies *(continued)*

implementation of the Town of Erie urban renewal plan pursuant to the Urban Renewal Law. Operations of the EURA are currently funded from General Fund resources, which will be repaid from various funding sources of the EURA, including tax increment financing for urban renewal projects within its boundaries. The EURA is reported as a special revenue fund. Separate audited financial statements of the EURA are not available.

B. Government-wide and Fund Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities, report financial information on all of the activities of the Town and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent, on fees and charges for support.

The statement of net position presents the financial position of the governmental and business-type activities of the Town at year-end.

The statement of activities demonstrates the degree to which direct expenses of given functions or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Town does not allocate indirect expenses to functions in the statement of activities. Program revenues include (1) charges to customers who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operating or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. The Town does not operate any fiduciary funds. Major individual governmental funds and proprietary funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Note I. Summary of Significant Accounting Policies *(continued)*

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

Property taxes, sales taxes, highway users' taxes, use taxes, franchise taxes, fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized when the qualifying expenditures have been incurred and all other eligibility requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The *general fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *trails and natural areas fund* accounts for property tax revenues used to acquire and construct trails, and to acquire and develop natural areas for public use.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of all proprietary funds are charges for services to customers. Operating expenses from proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. All of the Town's proprietary funds are classified as enterprise funds.

The Town reports the following major proprietary (enterprise) funds:

The *water fund* accounts for the acquisition, treatment, and distribution of the Town's water supply.

The *wastewater fund* accounts for the collection and treatment of gray water in the Town's wastewater system.

Interfund transactions are treated and classified as revenues, expenditures, or expenses (the same as if these same transactions involved external organizations). These include interfund transfers and billings from one fund to another for the purchase of goods or services. In the

Note I. Summary of Significant Accounting Policies (continued)

government-wide statement of activities, interfund transactions are eliminated unless the transfer is between the governmental and the business-type activities.

D. Assets, Liabilities, and Fund Equity

1. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Whenever possible the Town pools cash to enhance investment opportunities and to facilitate management of cash resources. Investments are made taking into consideration safety, liquidity, and income potential, in that order. The Town makes investments pursuant to its investment policy and relevant State of Colorado statutes.

Investments are reported at fair value based upon values obtained from quoted market prices.

2. Receivables and Payables

Activities between funds that represent lending/borrowing arrangements at the end of the fiscal year are referred to as either "due (to)/from other funds" (i.e., the current portion of interfund loans) or "advances to/(from) other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due (to)/from other funds." Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

All trade and property tax receivables are reported net of any allowance for uncollectible amounts, where applicable.

Property taxes levied in a particular year are collected in the subsequent year. The property tax calendar is as follows:

Tax Year

Tax Levy certified to County Commissioners.....	December 15
County Commissioners certify levy to County Assessor.....	December 22

Ensuing Collection Year

Taxes attach as an enforceable lien on property.....	January 1
First installment due date (one-half of taxes due).....	February 28
Taxes due in full (unless installments elected by taxpayer).....	April 30
Second installment due date (second half due).....	June 15

Note I. Summary of Significant Accounting Policies (continued)

The taxes are collected by the Boulder County and Weld County Treasurers on behalf of the Town and are remitted by the 15th day of the month following collection. A 1% collection fee is retained by the Counties as compensation for collecting the taxes.

3. Prepaid Items

Certain payments to vendors and other third parties reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Expenditures/expenses are recorded when the service underlying the prepaid item is provided (consumption method).

4. Restricted Assets

Certain proceeds from the issuance of bonds, as well as certain resources set aside for their repayment, are classified as restricted assets because their use is limited by applicable bond covenants.

5. Capital Assets

Capital assets, which include property, plant, equipment, and all infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) acquired since 1997, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and in the proprietary funds in the fund financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the Town are depreciated using the straight-line method with estimated useful lives as follows:

Assets	Years
Buildings and improvements	5-50
Improvements other than buildings	5-50
Machinery and equipment	3-10
Vehicles	3-5

Note I. Summary of Significant Accounting Policies (continued)

6. *Compensated Absences*

It is the Town's policy to permit employees to accumulate earned but unused paid time off and extended sick leave benefits. There is no liability for unpaid accumulated extended sick leave since the Town does not have a policy to pay any amounts when employees separate from service with the Town. All paid time off is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured.

7. *Long-term Obligations*

Long-term debt and other long-term obligations are reported as liabilities in the government-wide and proprietary financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method over the term of the debt. Long-term debt payable is reported net of the applicable unamortized premiums or discounts. Debt issuance costs are reported as an outflow of resources.

In the fund financial statements for governmental fund-types, the par amount of debt issued and premiums received are reported as other financing sources. Bond discounts are reported as other financing uses. Issuance costs, even if withheld from the debt proceeds received, are reported as debt service expenditures.

8. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the statement of financial position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. A deferred outflow of resources is a consumption of net position by the Town that is applicable to a future reporting period, and a deferred inflow of resources is an acquisition of net position by the Town that is applicable to a future reporting period. Both deferred outflows and inflows are reported in the statement of net position but are not recognized in the financial statements as revenues and expenses until the period(s) to which they relate.

The Town has one item that qualifies for reporting as a deferred outflow of resources – deferred charge on refunding. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources for the Town consist of property taxes receivable and reimbursement based grants, as applicable in the government-wide and fund financial statements. Property tax revenue is considered a deferred inflow of resources in the year the taxes are levied and measurable, and are recognized as an inflow of resources in the period they are collected. Reimbursement based grant revenue is considered a deferred inflow of resources in the year the Town has incurred qualified expenses/expenditures under the grant, and are recognized as an inflow of resources in the period they are collected.

Note I. Summary of Significant Accounting Policies (continued)

9. Fund Balances

Fund balances of governmental funds are reported in various categories, based primarily on the extent to which the Town is bound to observe constraints imposed upon the use of the resources for specific purposes.

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or are legally or contractually required to be maintained intact. The “not in spendable form” criterion includes prepaid items and the long-term amount of interfund loans.

Restricted fund balances are amounts subject to externally enforceable legal restrictions. Such restrictions are typically imposed by parties such as creditors, grantors, contributors, other governments, or enabling legislation.

Committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action through ordinance of the Board of Trustees, and remains binding unless removed in the same manner.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the general fund assigned amounts represent intended uses established by the Board of Trustees, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget.

Unassigned fund balance is the residual classification for the general fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

Generally, the Town would first apply restricted, then committed, and then assigned resources prior to unassigned resources when an expenditure is incurred for purposes for which more than one of the classifications of fund balance is available.

Minimum Fund Balances – The Town has established minimum unrestricted fund balances for certain of its funds. For the General Fund, minimum fund balance is 25% of annual budgeted operating expenditures. Proprietary funds are to maintain minimum unrestricted net position of 25% of annual operating and maintenance expenses plus 2% of capital assets.

Note I. Summary of Significant Accounting Policies (continued)

In 2010 the Board of Trustees approved the creation of an additional General Fund reserve to be maintained to offset economic downturns. The reserve was established at \$7,500,000, representing approximately 50% of annual General Fund expenditures. The reserve may only be used with the approval of the Board of Trustees in the event of revenue reductions due to severe economic conditions in order to prevent significant reduction in services. This reserve does not meet the definition of a stabilization arrangement pursuant to GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and therefore is reflected in unassigned fund balance.

With the exception of the General Fund reserves, all minimum fund balance policy requirements were met as of December 31, 2014. The General Fund has advanced \$4,382,881 to the Erie Urban Renewal Authority for the purchase of real estate and operating expenses. In addition, the General Fund has advanced \$170,000 to its housing authority, discussed in more detail in Note III.E. As a result, the sum of these advances is classified as nonspendable General Fund fund balance. These advances will be repaid to the General Fund in future years. Absent these advances, the minimum fund balance requirement would have been met.

10. Use of Estimates

The preparation of the financial statements, in conformity with accounting principles generally accepted in the United States, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

11. Future GASB Statement Implementations

The GASB has issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. The Town provides its police officers with pension benefits through a multiple employer cost-sharing defined benefit retirement program administered by the Fire and Police Pension Association of Colorado (FPPA).

Statement No. 68 requires cost-sharing employers participating in the FPPA program, such as the Town, to record their proportionate share, as defined in Statement No. 68, of FPPA's unfunded pension liability. The Town has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefits, or annual required contribution decisions made by the FPPA. The requirement of this Statement to record a portion of FPPA's unfunded liability, if any, would negatively impact the Town's future unrestricted net position. Statement No. 68 is effective for fiscal year 2015. At this time, Town management is unable to estimate the magnitude of any impact. Information regarding FPPA's current funding status can be found in its Comprehensive Annual Financial Report.

Note II. Stewardship, Compliance, and Accountability

A. Budgetary Information

The Town adopts annual budgets on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds. The budgets for proprietary funds are adopted on a non-GAAP modified accrual budgetary basis. All annual appropriations lapse at fiscal year-end. The Town does not adopt a budget for the Erie Housing Authority.

On or before October 15 of each year, the Town Administrator submits to the Town Board of Trustees a proposed operating budget for the fiscal year commencing on the following January 1. Study sessions and public hearings are conducted during Board of Trustee meetings to obtain input from elected officials, citizens, and other interested parties. By December 15, the final budget is adopted.

The appropriated budget is adopted by fund. The budget is prepared by fund, department, and division. Managers can make transfers between line items within their departments without Board approval. All other changes require Board approval. The Board made supplemental appropriations throughout the year, which are reflected in the final budget columns of the financial statements and schedules.

B. Deficit Fund Equity

The Town of Erie Urban Renewal Authority had a deficit fund balance of \$4,408,588 as of December 31, 2014. The fund will continue to have a deficit fund balance until urban renewal projects are identified and resulting tax increment funding monies are collected through increased property or sales tax collections.

Note III. Detailed Notes on All Funds

A. Deposits and Investments

Cash and investments are reported in the financial statements as follows:

Pooled cash and investments	\$ 54,629,985
Restricted cash and investments	<u>10,502,100</u>
Total	<u><u>\$ 65,132,085</u></u>

Note III. Detailed Notes on All Funds *(continued)*

Cash and investments consist of the following:

Bank checking accounts	\$ 8,912,185
Bank money market and savings accounts	411,178
Bank certificates of deposit	<u>4,267,659</u>
Total bank deposits	13,591,022
Investments	51,539,363
Cash on hand	<u>1,700</u>
Total	<u><u>\$ 65,132,085</u></u>

Deposits

As of December 31, 2014, the carrying amount of the Town's deposits was \$13,591,022.

Custodial Credit Risk

For deposits, custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Town bank accounts at year-end were entirely covered by federal depository insurance or by eligible collateral maintained by another financial institution or held by the Town's custodial banks in its name under provisions of the Colorado Public Deposit Protection Act (CPDPA). The CPDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance.

Investments

As of December 31, 2014, the Town had the following investments:

Investment Type	Rating		Fair Value	Investment Maturities		Concentration of Credit Risk
	Moody's	S&P		Less than 1 Year	1 to 5 Years	
U.S. Treasury Notes	Aaa	AA+	\$ 8,013,280	\$ -	\$ 8,013,280	15%
Federal Farm Credit Bank	Aaa	AA+	7,013,585	1,000,860	6,012,725	13%
Federal Home Loan Bank	Aaa	AA+	5,056,127	-	5,056,127	10%
Federal Home Loan Mortgage Corporation	Aaa	AA+	6,000,460	4,005,720	1,994,740	12%
Federal National Mortgage Association	Aaa	AA+	8,041,760	5,032,200	3,009,560	15%
Municipal Securities	Aa1/Aaa	AA+/AAA	2,005,450	-	2,005,450	4%
Commercial Paper	P1	A-1	2,998,687	2,998,687	-	6%
CSAFE	n/a	AAAm	9,242,904	9,242,904	-	18%
COLOTRUST PRIME	n/a	AAAm	1,896,398	1,896,398	-	4%
Federated Treasury Obligations Fund	Aaa-mf	AAAm	406,133	406,133	-	1%
Wells Fargo Treasury Money Market Fund	Aaa-mf	AAAm	864,579	864,579	-	2%
Total fair value			<u>\$ 51,539,363</u>	<u>\$ 25,447,481</u>	<u>\$ 26,091,882</u>	<u>100%</u>

It is the policy of the Town to invest its funds in a manner which will provide for the highest investment return consistent with the preservation of principal and provision of the liquidity

Note III. Detailed Notes on All Funds (continued)

necessary for daily cash flow demands. The Town's investment policy applies to all investment activity of the Town, under the control of the finance director. The Town Municipal Code, Section 2-1-4, authorizes the investments that the Town can hold. Investments of the Town may include obligations of the United States of America or its agencies thereof, certificates of deposit, bankers' acceptances, commercial paper, investment grade obligations of state and local governments, repurchase agreements collateralized by any of the foregoing securities, money market mutual funds, and local government investment pools.

As indicated above, Town policy includes certificates of deposit as part of the authorized investment portfolio. For GAAP reporting purposes, certificates of deposit are considered to be bank deposits and are therefore excluded from the investment schedule.

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Town's investment policy limits the Town's investment portfolio to maturities of less than five years and a weighted average maturity of less than 3 years. Additionally, the Town structures its investment portfolio so that investments mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

Credit Risk

Credit quality risk is the risk that the issuer or other counterparty to a debt security will not fulfill its obligations to the Town. The Town's investment policy limits investments to certain types of investments and diversifies the investment portfolio so the impact of potential losses from any one type of investment will be minimized.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. Pursuant to its investment policy, the Town has established various limits for issuers for each of the types of securities in which it is permitted to invest.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investment policy addresses this risk by requiring the pre-qualifying of financial institutions, broker/dealers, intermediaries, and advisers with which the Town does business to ensure that such risk is minimized.

Note III. Detailed Notes on All Funds (continued)

Local Government Investment Pools

As shown in the table on page 56, the Town had investments in the Colorado Surplus Asset Fund Trust (CSAFE) and Colorado Government Liquid Asset Trust (COLOTRUST) at year-end. CSAFE and COLOTRUST are investment vehicles established for local government entities in Colorado to pool surplus funds. These funds were established under the authority of, and in conformity with, Part 7 of Article 75 of Title 24 of the Colorado Revised Statutes. The State of Colorado regulates these funds.

The funds operate similar to money market funds and each share is valued at \$1.00. Fund investments include U.S. Treasury bills, notes, note strips, and repurchase agreements collateralized by U.S. Treasury securities. Designated custodial banks provide safekeeping and depository services to these funds in connection with the funds' direct investment and withdrawal functions. The custodians' internal records identify investments owned by the funds. CSAFE financial statements can be obtained at www.csafe.org. COLOTRUST financial statements can be obtained at www.colotrust.com.

B. Accounts Receivable

Receivables as of year-end for the Town's individual major funds and nonmajor funds, in the aggregate, are as follows:

	General	Trails & Natural Areas	Nonmajor Governmental	Water	Wastewater	Nonmajor Proprietary	Total
Property taxes	\$ 3,272,974	\$ 979,508	\$ -	\$ -	\$ -	\$ -	\$ 4,252,482
Sales taxes	552,886	-	-	-	-	-	552,886
Other taxes	209,172	-	-	-	-	-	209,172
Accounts, net of allowance for uncollectible accounts	182,331	-	-	570,134	557,408	54,921	1,364,794
Landfill fees	-	-	227,785	-	-	-	227,785
Intergovernmental	497,177	-	93,520	415,067	-	35,674	1,041,438
Interest	14,127	2,880	16,557	12,979	17,143	1,102	64,788
Total receivables	<u>\$ 4,728,667</u>	<u>\$ 982,388</u>	<u>\$ 337,862</u>	<u>\$ 998,180</u>	<u>\$ 574,551</u>	<u>\$ 91,697</u>	<u>\$ 7,713,345</u>

Note III. Detailed Notes on All Funds *(continued)*

C. Capital Assets

Capital asset activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 2,077,266	\$ 3,205,250	\$ (2,265,834)	\$ 3,016,682
Land	11,941,558	2,121,599	-	14,063,157
Total capital assets, not being depreciated:	14,018,824	5,326,849	(2,265,834)	17,079,839
Capital assets, being depreciated:				
Buildings	29,366,777	137,950	(22,932)	29,481,795
Improvements other than buildings	65,075,732	4,108,525	-	69,184,257
Furniture and equipment	2,101,078	194,514	(55,469)	2,240,123
Vehicles	1,200,146	225,604	(276,178)	1,149,572
Total capital assets, being depreciated:	97,743,733	4,666,593	(354,579)	102,055,747
Less accumulated depreciation for:				
Buildings	(3,134,129)	(618,684)	22,932	(3,729,881)
Improvements other than buildings	(13,447,073)	(2,257,027)	-	(15,704,100)
Furniture and equipment	(1,329,327)	(168,390)	55,469	(1,442,248)
Vehicles	(912,977)	(91,388)	276,178	(728,187)
Total accumulated depreciation	(18,823,506)	(3,135,489)	354,579	(21,604,416)
Total capital assets, being depreciated, net	78,920,227	1,531,104	-	80,451,331
Governmental activities capital assets, net	\$ 92,939,051	\$ 6,857,953	\$ (2,265,834)	\$ 97,531,170

Note III. Detailed Notes on All Funds *(continued)*

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 4,577,447	\$ 5,633,187	\$ (2,367,027)	\$ 7,843,607
Land and reservoirs	7,753,537	128,345	-	7,881,882
Water rights	75,390,297	-	-	75,390,297
Total capital assets, not being depreciated:	87,721,281	5,761,532	(2,367,027)	91,115,786
Capital assets, being depreciated:				
Buildings	1,369,265	-	-	1,369,265
Improvements other than buildings	157,682,562	2,731,798	-	160,414,360
Machinery and equipment	840,764	181,061	(34,858)	986,967
Total capital assets, being depreciated:	159,892,591	2,912,859	(34,858)	162,770,592
Less accumulated depreciation for:				
Buildings ⁽¹⁾	(477,235)	(35,445)	-	(512,680)
Improvements other than buildings ⁽¹⁾	(29,642,142)	(4,481,513)	-	(34,123,655)
Machinery and equipment	(408,665)	(44,900)	34,858	(418,707)
Total accumulated depreciation	(30,528,042)	(4,561,858)	34,858	(35,055,042)
Total capital assets, being depreciated, net	129,364,549	(1,648,999)	-	127,715,550
Business-type activities capital assets, net	<u>\$ 217,085,830</u>	<u>\$ 4,112,533</u>	<u>\$ (2,367,027)</u>	<u>\$ 218,831,336</u>

(1) The beginning balance reflects the reclassification of \$29,023 in accumulated depreciation from "Improvements other than buildings" to "Buildings".

Depreciation expense charged to functions/programs of the primary government follows:

Governmental activities:

General government	\$ 67,203
Public safety	73,955
Public works	1,599,422
Parks and recreation	<u>1,394,909</u>

Total depreciation expense - governmental activities \$3,135,489

Business-type activities:

Water	\$2,508,658
Wastewater	1,546,140
Storm drainage	242,191
Airport	235,847
Housing authority	<u>29,022</u>

Total depreciation expense - business-type activities \$4,561,858

Note III. Detailed Notes on All Funds *(continued)*

D. Interfund Receivables, Payables, and Transfers

There were two advances from the General Fund at December 31, 2014. The first is to the Town's urban renewal authority (URA) for \$4,382,881. The advance to the URA was made to pay for purchases of certain properties and for operating expenditures of the authority. This amount is not expected to be repaid in 2015. During 2014, the General Fund advanced \$170,000 to the Town's housing authority to facilitate refinancing of the housing authority's then-outstanding mortgage loan, discussed in more detail in Note III.E.4.

Transfers to/from other funds for the year ending December 31, 2014, were as follows:

	Transfer In			Total
	General Fund	Nonmajor Governmental Funds	Nonmajor Proprietary Funds	
<u>Transfer Out</u>				
General Fund	\$ -	\$ -	\$ 228,157	\$ 228,157
Nonmajor governmental funds	1,803,700	-	-	1,803,700
Total	<u>\$ 1,803,700</u>	<u>\$ -</u>	<u>\$ 228,157</u>	<u>\$ 2,031,857</u>

Transfers primarily reflect movement of revenues from the fund with collection authorization to the fund making the expenditure. The \$1,803,700 transfer to the General Fund largely reflects a transfer from the Solid Waste/Streets Fund for permitted uses of the revenues recorded in the Solid Waste/Streets Fund, but incurred by the General Fund. The \$228,157 transfer from the General Fund reflects a transfer to the Erie Housing Authority to facilitate the mortgage loan refinancing referred to above and discussed in more detail in Note III.E.4. and to provide working capital.

E. Long-term Debt

1. General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have only been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. They are payable primarily from real property taxes, in addition to various other funding sources. These bonds are issued as serial bonds with varying amounts of principal maturing each year.

Note III. Detailed Notes on All Funds (continued)

General obligation bonds outstanding at December 31, 2014, are as follows:

Year Issued	Description	Interest Rate (%)	Final Maturity Date	Issued	Outstanding
2006	General obligation bonds	4.375 - 5.25	2026	\$ 16,800,000	\$ 3,845,000
2006	General obligation refunding bonds	4.25 - 4.50	2018	2,971,095	1,345,000
2013	General obligation refunding bonds	2.00 - 4.00	2026	8,460,000	8,365,000
2014	General obligation bonds	3.25 - 3.75	2033	6,200,000	<u>6,200,000</u>
Total general obligation bonds					<u><u>\$19,755,000</u></u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Principal	Interest
2015	\$ 1,120,000	\$ 742,019
2016	1,170,000	692,156
2017	1,225,000	641,081
2018	1,280,000	587,269
2019	960,000	530,544
2020-2024	5,360,000	2,093,062
2025-2029	4,920,000	1,109,650
2030-2033	<u>3,720,000</u>	<u>348,163</u>
Total	<u>\$ 19,755,000</u>	<u>\$ 6,743,944</u>

2. Revenue Bonds and Loans

The Town also issues bonds where the government pledges income derived from the acquired or constructed assets to pay debt service. The Town can also use other resources to pay debt service.

Note III. Detailed Notes on All Funds *(continued)*

Revenue bonds and loans outstanding at year-end were as follows:

Year Issued	Description	Interest Rate (%)	Final Maturity Date	Issued	Outstanding
1995	Storm drainage revenue loan	2.00	2035	\$ 498,512	\$ 310,003
1997	Wastewater revenue loan	4.54	2017	1,821,690	363,270
1997	Wastewater revenue loan	4.50	2017	500,000	108,310
2007	Water revenue bonds	5.00	2032	14,225,000	14,225,000
2007	Water revenue refunding bonds	4.25 - 5.00	2023	5,035,000	3,370,000
2008	Wastewater revenue bonds	4.00 - 4.75	2028	8,900,000	7,900,000
2008	Wastewater revenue refunding bonds	4.00	2017	985,000	365,000
2009	Wastewater revenue loan	2.00	2030	1,534,700	697,400
2009	Wastewater revenue loan	0.00	2030	2,000,000	1,550,000
2009	Wastewater revenue bonds	4.50 - 5.00	2037	10,650,000	10,650,000
2009	Water revenue refunding bonds	2.25 - 4.00	2023	6,390,000	4,370,000
2011	Water revenue refunding bonds	2.00 - 5.00	2023	10,098,045	<u>7,775,000</u>
Total revenue bonds and loans					<u><u>\$51,683,983</u></u>

Annual debt service requirements to maturity for revenue bonds and loans are as follows:

Year Ending December 31	Principal	Interest
2015	\$ 2,172,514	\$ 2,216,853
2016	2,255,447	2,131,963
2017	2,329,156	2,060,467
2018	2,403,941	1,984,061
2019	2,480,025	1,908,511
2020-2024	12,387,140	8,143,683
2025-2029	12,182,668	5,542,325
2030-2034	11,310,226	2,474,741
2035-2037	<u>4,162,866</u>	<u>421,607</u>
Total	<u>\$ 51,683,983</u>	<u>\$ 26,884,211</u>

Note III. Detailed Notes on All Funds (continued)

3. *Certificates of Participation*

The Town formed the Erie Finance Corporation (EFC) to issue certificates of participation (COPs) for the acquisition and construction of major capital additions and improvements. The COPs are secured by the underlying capital assets. Debt service payments are made from rents collected by EFC based upon annually renewable lease agreements between the Town and EFC. Payments are subject to annual appropriation and do not constitute a general obligation or other indebtedness or multiple fiscal year financial obligation of the Town within the meaning of any constitutional or statutory debt limitation.

The Town entered into its first COPs transaction in 2005. COPs in the amount of \$32,030,000 were issued to purchase Colorado-Big Thompson water shares. The 2005 COPs were retired in 2010, when the 2010 COPs were issued. The 2010 COPs carried a fixed rate of 2.7% through October 1, 2015, and carried a variable rate after that date. In 2014 the COPs were remarketed, resulting in the issuance of new certificates with maturities extending through 2040 and carrying a fixed rate. The effective interest rate of the new certificates was 3.76%. The following is a summary of COPs payments:

Year Ending December 31	Principal	Interest	Total
2015	\$ 695,000	\$ 902,493	\$ 1,597,493
2016	625,000	970,638	1,595,638
2017	640,000	958,138	1,598,138
2018	650,000	945,338	1,595,338
2019	670,000	925,838	1,595,838
2020-2024	3,620,000	4,361,035	7,981,035
2025-2029	4,450,000	3,527,375	7,977,375
2030-2034	5,465,000	2,514,850	7,979,850
2035-2039	6,755,000	1,221,450	7,976,450
2040	1,535,000	61,400	1,596,400
Total	<u>\$ 25,105,000</u>	<u>\$ 16,388,555</u>	<u>\$ 41,493,555</u>

4. *Housing Authority Debt*

The Town has two mortgages payable through its blended component unit, the Erie Housing Authority, as follows:

Year Issued	Purpose	Interest Rate (%)	Final Maturity Date	Issued	Outstanding
2000	FHLB forgivable loan	0.00	2016	\$ 60,000	\$ 60,000
2014	Mortgage loan	4.50	2016	320,000	316,600
					<u>\$ 376,600</u>

Note III. Detailed Notes on All Funds (continued)

Annual debt service requirements to maturity for these mortgages are as follows:

Year Ending December 31	Principal	Interest	Total
2015	\$ 10,064	\$ 14,357	\$ 24,421
2016	366,536	9,256	375,792
Total	<u>\$ 376,600</u>	<u>\$ 23,613</u>	<u>\$ 400,213</u>

In addition, the housing authority has a loan with a principal amount of \$370,000 maturing in 2016, secured by a savings account of equal amount. Terms of the loan require interest only payments on a monthly basis at a fixed rate of 3.25%. Annual debt service requirements to maturity for this loan are as follows:

Year Ending December 31	Principal	Interest	Total
2015	\$ -	\$ 12,167	\$ 12,167
2016	369,232	8,133	377,365
Total	<u>\$ 369,232</u>	<u>\$ 20,300</u>	<u>\$ 389,532</u>

5. Capital Lease Obligations

The Town entered into two capital lease agreements in 2013 for the purchase of a grader for street maintenance purposes and police car radios. The imputed interest rates on the leases range from 2.94% to 3.30%. The book value of the underlying assets was \$234,593 at December 31, 2014. The following is a schedule by year of future minimum lease obligations as of December 31, 2014:

Year Ending December 31	Lease Payments
2015	\$ 62,762
2016	62,762
2017	62,764
2018	<u>18,703</u>
Total minimum lease payments	206,991
Less: amount representing interest	<u>(11,521)</u>
Present value of minimum lease payments	<u>\$ 195,470</u>

Note III. Detailed Notes on All Funds *(continued)*

6. Defeasance of Debt

In prior years, the Town defeased certain general obligation, water, and wastewater revenue bonds by placing the proceeds of new bonds into irrevocable trusts to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. These transactions resulted in economic gains to the Town. On December 31, 2014, defeased bonds had remaining balances outstanding of \$9,256,657.

7. Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and other debt payable:					
General obligation bonds	\$ 14,625,000	\$ 6,200,000	\$ (1,070,000)	\$ 19,755,000	\$ 1,120,000
Capital lease obligations	250,790	-	(55,320)	195,470	57,107
Less deferred amounts for issuance premiums	1,298,684	308,716	(112,877)	1,494,523	-
Total bonds and other debt payable	16,174,474	6,508,716	(1,238,197)	21,444,993	1,177,107
Compensated absences	450,093	522,894	(490,648)	482,339	366,535
Litigation reserve	-	450,000	-	450,000	450,000
Total governmental activities	<u>\$ 16,624,567</u>	<u>\$ 7,481,610</u>	<u>\$ (1,728,845)</u>	<u>\$ 22,377,332</u>	<u>\$ 1,993,642</u>
Business-type activities:					
Bonds, loans and other debt payable:					
Revenue bonds and loans	\$ 53,859,995	\$ -	\$ (2,176,012)	\$ 51,683,983	\$ 2,172,514
Certificates of participation	28,295,000	25,105,000	(28,295,000)	25,105,000	695,000
Mortgages payable	758,942	320,000	(702,342)	376,600	10,064
Loan payable - other	-	369,233	(1)	369,232	-
Less deferred amounts for issuance premiums and discounts	1,123,080	1,417,208	(97,603)	2,442,685	-
Total bonds, loans and other debt payable	84,037,017	27,211,441	(31,270,958)	79,977,500	2,877,578
Compensated absences	205,681	231,781	(220,436)	217,026	171,128
Total business-type activities	<u>\$ 84,242,698</u>	<u>\$ 27,443,222</u>	<u>\$ (31,491,394)</u>	<u>\$ 80,194,526</u>	<u>\$ 3,048,706</u>

F. Retirement Plans

1. Police Officers

a. Plan Description

The Town contributes to a statewide defined benefit pension plan, a cost-sharing multiple-employer defined benefit pension plan, which is administered by the Fire and Police Pension Association of Colorado (FPPA). Assets of the plan are commingled for investment purposes in the Fire and Police Member's Benefit Investment Fund. The plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted

Note III. Detailed Notes on All Funds (continued)

and governed by the Pension Fund Board of Trustees. Colorado Revised Statutes (CRS), as amended, establish basic benefit provisions under the plan. FPPA issues an annual, publicly-available financial report that includes the assets of the plan. That report may be obtained by calling FPPA at (303) 770-3772 in the Denver Metro area, or 1-800-332-3772 from outside the metro area, or from their web site at www.fppaco.org.

b. Basis of Accounting

The financial statements of the Statewide Defined Benefit Plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The Statewide Defined Benefit Plan investments are presented at fair value except for short-term investments which are recorded at cost, which approximates fair value.

c. Funding Policy

Plan members and the Town are required to contribute at a rate set by statute. The contribution requirements of plan members and the Town are established under Title 31, Article 30, Part 10 of the CRS, as amended. The contribution rate for both members and the Town is 8% of covered salary. For the years ending December 31, 2014, 2013, and 2012, the Town's contributions to the FPPA Pension Plan were \$128,017, \$116,331 and \$113,156, respectively, equal to their required contributions for each year.

2. *General Employees*

The Town contributes to a defined contribution plan established for non-Police employees.

Plan name:	The Town of Erie Savings Plan
Plan administrator:	The Standard (a third party trustee)

The plan was established by authority of the Town Board and can be amended by the Plan Trustees (Town Administrator and Finance Director). The Board establishes and may amend contribution requirements.

The plan is available to all non-Police benefited employees (full time employees and part time employees working at least 24 hours per week). The plan was created in accordance with Internal Revenue Code (IRC) Section 401(a). Employees are eligible to participate on the first day of each new calendar quarter.

Under the terms of the plan the Town is the only non-employee contributor and matches the first 0–5% of employee contributions. Participants are not required to contribute to the plan, but may contribute up to \$16,500 per year (\$22,000 for employees over 50). Employer contributions are based on the participant's salary (salary, pay, or earned income less salary reductions made under IRC §125). During 2014, the Town made all required contributions to the plan, contributing \$248,939. Employees contributed \$399,731.

Note III. Detailed Notes on All Funds (continued)

Employees vest immediately. Employees have a non-forfeitable interest in the employer contributions to their accounts at The Standard. No voluntary after-tax contributions are allowed. Since a third party trustee holds the assets in trust, they are not reflected in the Town's financial statements.

Note IV. Other Information

A. Risk Management

The Town purchases liability, property, and workers' compensation insurance from private insurance carriers. The Town paid \$231,356 for insurance in 2014 and maintains the following amounts of coverage with the amount of any deductibles (retained risk) indicated:

<u>Coverage</u>	<u>Amount</u>	<u>Deductible</u>
Building	\$77,709,327	\$ 2,500
Personal property	23,177,602	2,500
EDP	552,000	2,500
Business interruption & extra expense	630,500	72 Hours
General liability	5,000,000	2,500
Automobile liability	1,500,000	1,000
Workers' compensation	500,000	2,500

Settlements have not exceeded coverages for each of the past three fiscal years.

B. Litigation

The Town is currently the defendant in several lawsuits. Some of the lawsuits are in the process of settlement, and do not involve significant claims. There does not appear to be a threat of significant liability to the Town from those lawsuits. In addition, there are several claims asserted against the Town. Legal counsel is of the opinion that insurance carried by the Town is sufficient to cover any potential adverse settlements from those claims covered by insurance. As to those claims which may not be covered by insurance, legal counsel is unable to form an opinion as to any potential adverse settlements. See also Note IV.H. – Subsequent Event.

C. Commitments

The Town has several capital asset construction and acquisition projects in process. As a result of these projects, the Town has remaining outstanding commitments of \$5,163,337 to various general contractors and vendors. Of this amount, \$4,956,948 represents contractual commitments related to construction of a public safety and municipal court building. Construction of this building is being funded through the proceeds of general obligation bonds issued during 2014.

Note IV. Other Information (continued)

The Town is also participating in several raw water storage and delivery projects with the Northern Colorado Water Conservancy District. In 2014, the Town contributed \$243,750 to the Northern Integrated Supply Project and \$139,243 to the Windy Gap Firing Project. Future years' contributions to these projects depend on the Board of Trustees election to participate.

D. Contingent Liabilities

Federal grants are subject to audit which could result in disallowed costs, the amount which is undeterminable at December 31, 2014. If any costs are disallowed in the future, the Town expects them to be insignificant.

E. Annexation and Developer Agreements

The Town has entered into several annexation and developer agreements with various developers of residential/commercial developments. Among other things, these agreements indicate whether the Town or the developer is responsible for construction of infrastructure and other improvements such as water, wastewater and storm drainage infrastructure, streets, trails, parks and similar capital improvements required to support the development. The Town's portion of these costs will be paid primarily from tap and impact fees collected from these developments.

F. Tax, Spending, and Debt Limitations

On November 3, 1992, the voters of the State approved Article X, Section 20, to the State Constitution (the Amendment). The Amendment provides for several limitations on government activities, including those related to revenue, expenditures, property taxes, and issuance of debt. These provisions of the Constitution are complex and subject to judicial interpretation. In the opinion of management, the Town is in compliance with such provisions.

The Amendment provides for exceptions related to "enterprises", defined as government-owned businesses authorized to issue revenue bonds and receiving less than 10% of its annual revenue in grants from all state and local governments combined. The Town's management is of the opinion that its Water, Wastewater, Storm Drainage, and Airport operations qualify for this exclusion.

In 1994, the Town's electorate authorized the Town to retain any revenues in excess of the limits imposed by the Amendment, pursuant to its existing sales and use tax code and general taxes on all taxable property without any increase in sales and use tax rates or increase in the general property tax mill levy. This effectively removed all revenue and spending limits imposed by Amendment. However, any future tax rate or tax code changes increasing tax revenues are subject to voter approval.

Note IV. Other Information (*continued*)

G. Emergency Reserve

The Town Board approved a resolution creating an emergency reserve as required by Article X, Section 20, of the Colorado Constitution. The December 31, 2014, amount of \$547,015 is based on the requirements of Article X, Section 20.

H. Subsequent Event

The case of Golden Run Estates LLC and Aaron Harber v. Town of Erie was filed in September, 2014 and tried by a jury in June, 2015. The Plaintiffs claimed that the Town breached a pre-annexation agreement addressing their property and planned mixed use development, and thereby caused them to suffer damages. At the conclusion of the trial, the judge ordered the Plaintiffs' property to be disconnected from the Town and the jury awarded the Plaintiffs damages in the amount of \$362,500. The Town has reviewed the case with counsel and believes there are multiple grounds to appeal the damages, and that damages may be reduced or eliminated on appeal or through settlement discussions with the Plaintiff. Due to the uncertainties associated with an appeal and/or settlement process, the Town has accrued \$450,000 as litigation settlement expense, reflected in General Government expenses in the government-wide Statement of Activities.

Combining and Individual Fund Statements and Schedules

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Town of Erie

Nonmajor Governmental Funds

Special Revenue Funds - Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Conservation Trust Fund: Accounts for revenues received from the Colorado State Lottery proceeds through the State's Conservation Trust Fund. It is used to acquire, develop, and maintain new conservation sites; and for capital improvements or maintenance for recreational purposes on any public site.

Cemetery Fund: Accounts for revenues received from plot purchases at the municipal cemetery. Money is used for perpetual care expenditures at the cemetery.

Forfeiture and Seizure Fund: Accounts for forfeitures as a result of asset seizures relating to convictions for drug-related offenses. Money is used to purchase goods and services related to law enforcement.

Solid Waste/Streets Fund: Accounts for landfill fees used for capital improvements and maintenance of solid waste and street-related purposes.

Erie Urban Renewal Authority: Accounts for the monies for urban renewal activity.

Capital Projects Funds - Capital projects funds are used to account for the acquisition and construction of major capital facilities.

Public Facilities Impact Fund: Accounts for impact fee revenues used to construct and acquire public facilities.

Transportation Impact Fund: Accounts for impact fee revenues used to construct and acquire transportation system enhancements.

Parks Improvement Impact Fund: Accounts for impact fee revenues used to construct and acquire parks and related improvements.

Tree Impact Fund: Accounts for impact fee revenues used to acquire and plant trees in public locations, and to issue certificates for tree purchases to homeowners of newly constructed homes.

Storm Drainage Impact Fund: Accounts for impact fee revenues used to acquire and construct the storm drainage system.

Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Pooled Cash and Investments	\$ 2,913,115	\$ 11,484,012	\$ 14,397,127
Receivables	231,050	106,812	337,862
Total Assets	<u>\$ 3,144,165</u>	<u>\$ 11,590,824</u>	<u>\$ 14,734,989</u>
LIABILITIES			
Accounts Payable	\$ 20,372	\$ 638,971	\$ 659,343
Wages Payable	5,335	-	5,335
Advances from Other Funds	4,382,881	-	4,382,881
Unearned Revenue	500,000	-	500,000
Total Liabilities	<u>4,908,588</u>	<u>638,971</u>	<u>5,547,559</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Fund Resources	-	68,271	68,271
Total Deferred Inflows of Resources	<u>-</u>	<u>68,271</u>	<u>68,271</u>
FUND BALANCES			
Restricted for:			
Capital Projects	-	10,883,582	10,883,582
Parks and Open Space	419,047	-	419,047
Public Safety	6,196	-	6,196
Solid Waste/Streets	2,066,926	-	2,066,926
Committed to:			
Cemetery Operations	151,996	-	151,996
Unassigned	(4,408,588)	-	(4,408,588)
Total Fund Balances	<u>(1,764,423)</u>	<u>10,883,582</u>	<u>9,119,159</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,144,165</u>	<u>\$ 11,590,824</u>	<u>\$ 14,734,989</u>

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental	\$ 165,520	\$ 25,249	\$ 190,769
Fees and Charges for Services	1,682,498	-	1,682,498
Capital Contributions and Fees	215,879	2,370,835	2,586,714
Investment Earnings	19,149	60,409	79,558
Total Revenues	2,083,046	2,456,493	4,539,539
EXPENDITURES			
Current Operating:			
General Government	343,295	-	343,295
Public Works	121,944	-	121,944
Capital Outlay	132,052	2,554,640	2,686,692
Total Expenditures	597,291	2,554,640	3,151,931
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,485,755	(98,147)	1,387,608
OTHER FINANCING SOURCES (USES)			
Transfers Out	(1,795,000)	(8,700)	(1,803,700)
Total Other Financing Sources (Uses)	(1,795,000)	(8,700)	(1,803,700)
Net Change in Fund Balance	(309,245)	(106,847)	(416,092)
Fund Balance - Beginning	(1,455,178)	10,990,429	9,535,251
Fund Balance - Ending	\$ (1,764,423)	\$ 10,883,582	\$ 9,119,159

Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2014

	Conservation Trust Fund	Cemetery Fund	Forfeiture and Seizure Fund	Solid Waste/ Streets Fund
ASSETS				
Pooled Cash and Investments	\$ 418,579	\$ 151,824	\$ 6,189	\$ 2,336,523
Receivables	468	172	7	230,403
Total Assets	<u>\$ 419,047</u>	<u>\$ 151,996</u>	<u>\$ 6,196</u>	<u>\$ 2,566,926</u>
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Wages Payable	-	-	-	-
Advances from Other Funds	-	-	-	-
Unearned Revenue	-	-	-	500,000
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>
FUND BALANCES				
Restricted for:				
Parks and Open Space	419,047	-	-	-
Public Safety	-	-	6,196	-
Solid Waste/Streets	-	-	-	2,066,926
Committed to:				
Cemetery Operations	-	151,996	-	-
Unassigned	-	-	-	-
Total Fund Balances	<u>419,047</u>	<u>151,996</u>	<u>6,196</u>	<u>2,066,926</u>
Total Liabilities and Fund Balances	<u>\$ 419,047</u>	<u>\$ 151,996</u>	<u>\$ 6,196</u>	<u>\$ 2,566,926</u>

Erie Urban Renewal Authority	Total
\$ -	\$ 2,913,115
-	231,050
<u>\$ -</u>	<u>\$ 3,144,165</u>
\$ 20,372	\$ 20,372
5,335	5,335
4,382,881	4,382,881
-	500,000
<u>4,408,588</u>	<u>4,908,588</u>
-	419,047
-	6,196
-	2,066,926
-	151,996
<u>(4,408,588)</u>	<u>(4,408,588)</u>
<u>(4,408,588)</u>	<u>(1,764,423)</u>
<u>\$ -</u>	<u>\$ 3,144,165</u>

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2014

	Conservation Trust Fund	Cemetery Fund	Forfeiture and Seizure Fund	Solid Waste/ Streets Fund
REVENUES				
Intergovernmental	\$ 165,520	\$ -	\$ -	\$ -
Fees and Charges for Services	-	7,400	-	1,675,098
Capital Contributions and Fees	-	215,879	-	-
Investment Earnings	2,171	290	35	16,653
Total Revenues	167,691	223,569	35	1,691,751
EXPENDITURES				
Current Operating:				
General Government	-	-	-	-
Public Works	121,944	-	-	-
Capital Outlay	42,492	89,560	-	-
Total Expenditures	164,436	89,560	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,255	134,009	35	1,691,751
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	-	(1,795,000)
Total Other Financing Sources (Uses)	-	-	-	(1,795,000)
Net Change in Fund Balance	3,255	134,009	35	(103,249)
Fund Balance - Beginning	415,792	17,987	6,161	2,170,175
Fund Balance - Ending	\$ 419,047	\$ 151,996	\$ 6,196	\$ 2,066,926

<u>Erie Urban Renewal Authority</u>	<u>Total</u>
\$ -	\$ 165,520
-	1,682,498
-	215,879
-	19,149
-	2,083,046
343,295	343,295
-	121,944
-	132,052
343,295	597,291
(343,295)	1,485,755
-	(1,795,000)
-	(1,795,000)
(343,295)	(309,245)
(4,065,293)	(1,455,178)
<u>\$ (4,408,588)</u>	<u>\$ (1,764,423)</u>

Town of Erie, Colorado
Conservation Trust Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 180,000	\$ 180,000	\$ 165,520	\$ (14,480)
Investment Earnings	600	600	2,171	1,571
Total Revenues	180,600	180,600	167,691	(12,909)
EXPENDITURES				
Current Operating:				
Public Works	136,700	136,900	121,944	14,956
Capital Outlay	32,100	57,600	42,492	15,108
Total Expenditures	168,800	194,500	164,436	30,064
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,800	(13,900)	3,255	17,155
Net Change in Fund Balance	\$ 11,800	\$ (13,900)	3,255	\$ 17,155
Fund Balance - Beginning			415,792	
Fund Balance - Ending			\$ 419,047	

Town of Erie, Colorado
Cemetery Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Fees and Charges for Services	\$ 1,800	\$ 6,800	\$ 7,400	\$ 600
Capital Contributions and Fees	-	215,300	215,879	579
Investment Earnings	400	400	290	(110)
Total Revenues	2,200	222,500	223,569	1,069
EXPENDITURES				
Capital Outlay	-	99,700	89,560	10,140
Total Expenditures	-	99,700	89,560	10,140
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,200	122,800	134,009	11,209
Net Change in Fund Balance	\$ 2,200	\$ 122,800	134,009	\$ 11,209
Fund Balance - Beginning			17,987	
Fund Balance - Ending			\$ 151,996	

Town of Erie, Colorado
Forfeiture and Seizure Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Investment Earnings	\$ 100	\$ 100	\$ 35	\$ (65)
Total Revenues	100	100	35	(65)
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	100	100	35	(65)
Net Change in Fund Balance	<u>\$ 100</u>	<u>\$ 100</u>	35	<u>\$ (65)</u>
Fund Balance - Beginning			<u>6,161</u>	
Fund Balance - Ending			<u>\$ 6,196</u>	

Town of Erie, Colorado
Solid Waste/Streets Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With
	Original Budget	Final Budget	Actual	Final Budget Positive (Negative)
REVENUES				
Fees and Charges for Services	\$ 1,250,000	\$ 1,600,000	\$ 1,675,098	\$ 75,098
Investment Earnings	-	5,000	16,653	11,653
Total Revenues	1,250,000	1,605,000	1,691,751	86,751
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,250,000	1,605,000	1,691,751	86,751
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,139,300)	(2,269,400)	(1,795,000)	474,400
Total Other Financing Sources (Uses)	(2,139,300)	(2,269,400)	(1,795,000)	474,400
Net Change in Fund Balance	\$ (889,300)	\$ (664,400)	(103,249)	\$ 561,151
Fund Balance - Beginning			2,170,175	
Fund Balance - Ending			\$ 2,066,926	

Town of Erie, Colorado
Erie Urban Renewal Authority
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
EXPENDITURES				
Current Operating:				
General Government	\$ 465,400	\$ 465,400	\$ 343,295	\$ 122,105
Total Expenditures	465,400	465,400	343,295	122,105
Excess (Deficiency) of Revenues Over (Under) Expenditures	(465,400)	(465,400)	(343,295)	122,105
Net Change in Fund Balance	\$ (465,400)	\$ (465,400)	(343,295)	\$ 122,105
Fund Balance - Beginning			(4,065,293)	
Fund Balance - Ending			\$ (4,408,588)	

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Town of Erie, Colorado
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2014

	Public Facilities Impact Fund	Transportation Impact Fund	Parks Improvement Impact Fund	Tree Impact Fund
ASSETS				
Pooled Cash and Investments	\$ 3,030,740	\$ 2,974,483	\$ 921,048	\$ 260,640
Receivables	3,395	3,756	1,032	290
Total Assets	<u>\$ 3,034,135</u>	<u>\$ 2,978,239</u>	<u>\$ 922,080</u>	<u>\$ 260,930</u>
LIABILITIES				
Accounts Payable	<u>\$ 21,641</u>	<u>\$ 292,063</u>	<u>\$ -</u>	<u>\$ 8,267</u>
Total Liabilities	<u>21,641</u>	<u>292,063</u>	<u>-</u>	<u>8,267</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Fund Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted for:				
Capital Projects	<u>3,012,494</u>	<u>2,686,176</u>	<u>922,080</u>	<u>252,663</u>
Total Fund Balances	<u>3,012,494</u>	<u>2,686,176</u>	<u>922,080</u>	<u>252,663</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,034,135</u>	<u>\$ 2,978,239</u>	<u>\$ 922,080</u>	<u>\$ 260,930</u>

Storm Drainage Impact Fund	Total
\$ 4,297,101	\$ 11,484,012
98,339	106,812
<u>\$ 4,395,440</u>	<u>\$ 11,590,824</u>
\$ 317,000	\$ 638,971
317,000	638,971
68,271	68,271
68,271	68,271
4,010,169	10,883,582
4,010,169	10,883,582
<u>\$ 4,395,440</u>	<u>\$ 11,590,824</u>

Town of Erie, Colorado
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2014

	Public Facilities Impact Fund	Transportation Impact Fund	Parks Improvement Impact Fund	Tree Impact Fund
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Capital Contributions and Fees	582,857	577,798	717,750	87,300
Investment Earnings	15,055	18,922	3,593	1,358
Total Revenues	597,912	596,720	721,343	88,658
EXPENDITURES				
Capital Outlay	170,157	1,867,103	4,885	65,210
Total Expenditures	170,157	1,867,103	4,885	65,210
Excess (Deficiency) of Revenues Over (Under) Expenditures	427,755	(1,270,383)	716,458	23,448
OTHER FINANCING SOURCES (USES)				
Transfers Out	(8,700)	-	-	-
Total Other Financing Sources (Uses)	(8,700)	-	-	-
Net Change in Fund Balance	419,055	(1,270,383)	716,458	23,448
Fund Balance - Beginning	2,593,439	3,956,559	205,622	229,215
Fund Balance - Ending	\$ 3,012,494	\$ 2,686,176	\$ 922,080	\$ 252,663

Storm Drainage Impact Fund	Total
\$ 25,249	\$ 25,249
405,130	2,370,835
21,481	60,409
451,860	2,456,493
447,285	2,554,640
447,285	2,554,640
4,575	(98,147)
-	(8,700)
-	(8,700)
4,575	(106,847)
4,005,594	10,990,429
<u>\$ 4,010,169</u>	<u>\$ 10,883,582</u>

Town of Erie, Colorado
Public Facilities Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Capital Contributions and Fees	\$ 561,000	\$ 572,400	\$ 582,857	\$ 10,457
Investment Earnings	2,400	2,400	15,055	12,655
Total Revenues	563,400	574,800	597,912	23,112
EXPENDITURES				
Capital Outlay	480,000	314,600	170,157	144,443
Total Expenditures	480,000	314,600	170,157	144,443
Excess (Deficiency) of Revenues Over (Under) Expenditures	83,400	260,200	427,755	167,555
OTHER FINANCING SOURCES (USES)				
Transfers Out	(8,700)	(8,700)	(8,700)	-
Total Other Financing Sources (Uses)	(8,700)	(8,700)	(8,700)	-
Net Change in Fund Balance	\$ 74,700	\$ 251,500	419,055	\$ 167,555
Fund Balance - Beginning			2,593,439	
Fund Balance - Ending			\$ 3,012,494	

Town of Erie, Colorado
Transportation Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Capital Contributions and Fees	\$ 537,200	\$ 543,200	\$ 577,798	\$ 34,598
Investment Earnings	1,400	1,400	18,922	17,522
Total Revenues	538,600	544,600	596,720	52,120
EXPENDITURES				
Capital Outlay	1,915,000	4,316,100	1,867,103	2,448,997
Total Expenditures	1,915,000	4,316,100	1,867,103	2,448,997
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,376,400)	(3,771,500)	(1,270,383)	2,501,117
Net Change in Fund Balance	\$ (1,376,400)	\$ (3,771,500)	(1,270,383)	\$ 2,501,117
Fund Balance - Beginning			3,956,559	
Fund Balance - Ending			\$ 2,686,176	

Town of Erie, Colorado
Parks Improvement Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Capital Contributions and Fees	\$ 649,500	\$ 685,000	\$ 717,750	\$ 32,750
Investment Earnings	100	100	3,593	3,493
Total Revenues	649,600	685,100	721,343	36,243
EXPENDITURES				
Capital Outlay	15,000	51,900	4,885	47,015
Total Expenditures	15,000	51,900	4,885	47,015
Excess (Deficiency) of Revenues Over (Under) Expenditures	634,600	633,200	716,458	83,258
Net Change in Fund Balance	\$ 634,600	\$ 633,200	716,458	\$ 83,258
Fund Balance - Beginning			205,622	
Fund Balance - Ending			\$ 922,080	

Town of Erie, Colorado
Tree Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Capital Contributions and Fees	\$ 90,000	\$ 90,000	\$ 87,300	\$ (2,700)
Investment Earnings	100	100	1,358	1,258
Total Revenues	90,100	90,100	88,658	(1,442)
EXPENDITURES				
Capital Outlay	90,000	90,000	65,210	24,790
Total Expenditures	90,000	90,000	65,210	24,790
Excess (Deficiency) of Revenues Over (Under) Expenditures	100	100	23,448	23,348
Net Change in Fund Balance	\$ 100	\$ 100	23,448	\$ 23,348
Fund Balance - Beginning			229,215	
Fund Balance - Ending			\$ 252,663	

Town of Erie, Colorado
Storm Drainage Impact Fund
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With
	Original	Final		Final Budget
	Budget	Budget	Actual	Positive
				(Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 25,249	\$ 25,249
Capital Contributions and Fees	396,400	396,400	405,130	8,730
Investment Earnings	1,000	1,000	21,481	20,481
Total Revenues	397,400	397,400	451,860	54,460
EXPENDITURES				
Capital Outlay	2,925,000	3,504,800	447,285	3,057,515
Total Expenditures	2,925,000	3,504,800	447,285	3,057,515
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,527,600)	(3,107,400)	4,575	3,111,975
Net Change in Fund Balance	<u>\$ (2,527,600)</u>	<u>\$ (3,107,400)</u>	4,575	<u>\$ 3,111,975</u>
Fund Balance - Beginning			<u>4,005,594</u>	
Fund Balance - Ending			<u>\$ 4,010,169</u>	

Town of Erie
Proprietary Funds

Nonmajor Proprietary Funds:

Storm Drainage Operating Fund: Accounts for storm drainage charges received from system users. This money is used to construct and maintain the storm drainage system.

Airport Fund: Accounts for airport fees received from airport users, as well as proceeds from federal and state aviation grants. This money is used to construct and maintain the municipal airport.

Erie Housing Authority Fund: Accounts for rents received from authority tenants as well as federal subsidies for low income tenants. This money is used to maintain these housing facilities.

**Statements of Revenues, Expenses, and Changes in Fund Net Position –
Actual and Budget (Non-GAAP Budgetary Basis):**

This section also presents budgetary comparisons for the following funds:

Water Fund

Wastewater Fund

Storm Drainage Operating Fund

Airport Fund

Town of Erie, Colorado
Combining Statement of Net Position
Nonmajor Proprietary Funds
December 31, 2014

	Storm Drainage Operating Fund	Airport Fund	Erie Housing Authority	Total Nonmajor Proprietary Funds
ASSETS				
Current Assets				
Pooled Cash and Investments	\$ 921,444	\$ 59,960	\$ 6,512	\$ 987,916
Restricted Cash and Investments	-	-	374,536	374,536
Receivables	55,576	36,030	91	91,697
Prepaid Items	-	1,215	-	1,215
Total Current Assets	977,020	97,205	381,139	1,455,364
Noncurrent Assets				
Capital Assets				
Construction in Progress	685,751	7,650	-	693,401
Land and Water Rights	63,705	592,295	-	656,000
Buildings, Property, and Equipment	11,683,362	5,641,855	1,160,900	18,486,117
Accumulated Depreciation	(2,401,480)	(1,679,798)	(399,059)	(4,480,337)
Total Capital Assets	10,031,338	4,562,002	761,841	15,355,181
Total Noncurrent Assets	10,031,338	4,562,002	761,841	15,355,181
Total Assets	11,008,358	4,659,207	1,142,980	16,810,545
LIABILITIES				
Current Liabilities				
Accounts Payable	44,205	28,953	34,901	108,059
Accrued Interest Payable	4,650	-	284	4,934
Wages Payable	6,926	80	-	7,006
Other Liabilities	-	-	3,999	3,999
Unearned Revenue	-	-	145	145
Compensated Absences	3,197	292	-	3,489
Current Portion of Long Term Debt				
Loans Payable	12,023	-	-	12,023
Mortgages Payable	-	-	10,064	10,064
Total Current Liabilities	71,001	29,325	49,393	149,719
Noncurrent Liabilities				
Compensated Absences	104	105	-	209
Advances from Other Funds	-	-	170,000	170,000
Long Term Debt, Net of Unamortized Premiums and Discounts				
Loans Payable	297,980	-	369,232	667,212
Mortgages Payable	-	-	366,537	366,537
Total Noncurrent Liabilities	298,084	105	905,769	1,203,958
Total Liabilities	369,085	29,430	955,162	1,353,677
NET POSITION				
Net Investment in Capital Assets	9,721,335	4,562,002	16,008	14,299,345
Unrestricted	917,938	67,775	171,810	1,157,523
Total Net Position	\$ 10,639,273	\$ 4,629,777	\$ 187,818	\$ 15,456,868

Town of Erie, Colorado
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Proprietary Funds
For the Year Ended December 31, 2014

	Storm Drainage Operating Fund	Airport Fund	Erie Housing Authority Fund	Total Nonmajor Proprietary Funds
OPERATING REVENUES				
Charges for Services	\$ 425,161	\$ 5,200	\$ 79,878	\$ 510,239
OPERATING EXPENSES				
Personnel Services	103,813	2,856	-	106,669
Operations and Maintenance	60,677	28,837	56,367	145,881
Depreciation	242,191	235,847	29,022	507,060
Total Operating Expenses	406,681	267,540	85,389	759,610
Net Operating Income (Loss)	18,480	(262,340)	(5,511)	(249,371)
NON-OPERATING REVENUES (EXPENSES)				
Investment Earnings	5,465	237	313	6,015
Other Non-Operating Income	-	56,569	402	56,971
Interest Expense	(6,259)	-	(29,660)	(35,919)
Debt Issuance Costs	-	-	(4,251)	(4,251)
Gain (Loss) on Disposition of Capital Assets	-	4,185	-	4,185
Total Non-Operating Revenues (Expenses)	(794)	60,991	(33,196)	27,001
Income (Loss) Before Capital Contributions and Transfers	17,686	(201,349)	(38,707)	(222,370)
Capital Contributions	6,080	64,668	-	70,748
Transfers In	-	-	228,157	228,157
Change in Net Position	23,766	(136,681)	189,450	76,535
Total Net Position - Beginning - As Adjusted	10,615,507	4,766,458	(1,632)	15,380,333
Total Net Position - Ending	\$ 10,639,273	\$ 4,629,777	\$ 187,818	\$ 15,456,868

Town of Erie, Colorado
Combining Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended December 31, 2014

	Storm Drainage Operating Fund	Airport Fund	Erie Housing Authority	Total Nonmajor Proprietary Funds
Cash Flows from Operating Activities				
Receipts from Customers and Users	\$ 418,608	\$ 61,601	\$ 81,186	\$ 561,395
Payments to Employees	(99,894)	(2,836)	-	(102,730)
Payments to Suppliers	(20,760)	(61,251)	(58,876)	(140,887)
Net Cash Provided by (Used in) Operating Activities	297,954	(2,486)	22,310	317,778
Cash Flows from Non-capital Financing Activities				
Operating Grants	-	26,824	-	26,824
Advance from Other Funds	-	(59,539)	170,000	110,461
Transfer from Other Funds	-	-	228,157	228,157
Cash Flows Provided by (Used in) Non-capital Financing Activities	-	(32,715)	398,157	365,442
Cash Flows from Capital and Related Financing Activities				
Receipts from Capital Grants	-	163,579	-	163,579
Proceeds from Capital Debt	-	-	684,981	684,981
Acquisition and Construction of Capital Assets	(882,148)	(68,591)	-	(950,739)
Principal Paid on Capital Debt	(11,788)	-	(702,341)	(714,129)
Interest Paid on Capital Debt	(6,436)	-	(29,376)	(35,812)
Capital Contributions	6,080	-	-	6,080
Cash Flows Provided by (Used in) Capital and Related Financing Activities	(894,292)	94,988	(46,736)	(846,040)
Cash Flows from Investing Activities				
Purchase of Investments	-	-	(370,503)	(370,503)
Earnings on Investments	5,946	173	313	6,432
Cash Flows Provided by (Used in) Investing Activities	5,946	173	(370,190)	(364,071)
Net Increase (Decrease) in Pooled Cash and Investments	(590,392)	59,960	3,541	(526,891)
Pooled Cash and Investments - January 1	1,511,836	-	2,971	1,514,807
Pooled Cash and Investments - December 31	\$ 921,444	\$ 59,960	\$ 6,512	\$ 987,916
Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Operating Income (Loss)	\$ 18,480	\$ (262,340)	\$ (5,511)	\$ (249,371)
Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities				
Depreciation Expense	242,191	235,847	29,022	507,060
Other Income	-	56,569	402	56,971
(Increase) Decrease in				
Accounts Receivable	(6,553)	(168)	1,163	(5,558)
Prepaid Items	-	7,287	-	7,287
Increase (Decrease) in				
Accounts Payable	39,917	(39,701)	(2,710)	(2,494)
Wages Payable	4,017	(48)	-	3,969
Compensated Absences Payable	(98)	68	-	(30)
Other Liabilities	-	-	(201)	(201)
Deferred Revenue	-	-	145	145
Net Cash Provided by (Used in) Operating Activities	\$ 297,954	\$ (2,486)	\$ 22,310	\$ 317,778

Town of Erie, Colorado
Water Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for Services	\$ 6,375,700	\$ 6,475,700	\$ 6,514,590	\$ 38,890
Capital Contributions and Fees	6,504,000	7,142,100	7,629,257	487,157
Intergovernmental	-	25,000	54,829	29,829
Investment Earnings	4,300	4,300	62,563	58,263
Miscellaneous	27,300	27,300	4,231	(23,069)
Total Revenues	12,911,300	13,674,400	14,265,470	591,070
EXPENDITURES				
Operating Expenditures				
Personnel Services	1,608,800	1,602,000	1,515,240	86,760
Operations and Maintenance	2,429,500	2,481,000	1,857,988	623,012
Capital Outlay	7,368,700	10,783,300	6,025,884	4,757,416
Debt Related Expenses				
Principal Payments	2,211,000	29,881,000	29,881,000	-
Interest Expense	2,108,800	2,233,800	2,231,974	1,826
Debt Issuance Costs	-	300,000	255,113	44,887
Total Expenditures	15,726,800	47,281,100	41,767,199	5,513,901
OTHER FINANCING SOURCES (USES)				
Proceeds from Debt Issuance	-	27,970,000	26,522,208	(1,447,792)
Total Other Financing/Sources (Uses)	-	27,970,000	26,522,208	(1,447,792)
Change in Net Position, Budget Basis	\$ (2,815,500)	\$ (5,636,700)	(979,521)	\$ 4,657,179
Reconciliation to GAAP Basis:				
Debt Proceeds			(26,522,208)	
Bond Principal Payments			29,881,000	
Change in Accrued Interest Payable			117,996	
Change in Compensated Absences Payable			(8,041)	
Capital Outlay			5,325,478	
Depreciation and Amortization			(2,537,957)	
Change in Net Position, GAAP Basis			5,276,747	
Total Net Position - Beginning			106,253,567	
Total Net Position - Ending			\$ 111,530,314	

Town of Erie, Colorado
Wastewater Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for Services	\$ 4,159,000	\$ 4,225,000	\$ 4,267,375	\$ 42,375
Capital Contributions and Fees	1,291,300	1,460,700	1,496,370	35,670
Investment Earnings	9,200	9,200	64,116	54,916
Total Revenues	5,459,500	5,694,900	5,827,861	132,961
EXPENDITURES				
Operating Expenditures				
Personnel Services	1,430,200	1,422,900	1,332,622	90,278
Operations and Maintenance	1,321,200	1,402,800	1,016,268	386,532
Capital Outlay	2,338,500	2,435,100	151,904	2,283,196
Debt Related Expenses				
Principal Payments	571,200	578,500	578,224	276
Interest Expense	963,400	956,100	953,255	2,845
Total Expenditures	6,624,500	6,795,400	4,032,273	2,763,127
Change in Net Position, Budget Basis	\$ (1,165,000)	\$ (1,100,500)	1,795,588	\$ 2,896,088
Reconciliation to GAAP Basis:				
Principal Payments			578,224	
Change in Accrued Interest Payable			3,126	
Change in Compensated Absences Payable			(3,335)	
Capital Outlay			26,962	
Depreciation and Amortization			(1,553,112)	
Change in Net Position, GAAP Basis			847,453	
Total Net Position - Beginning			41,198,092	
Total Net Position - Ending			\$ 42,045,545	

Town of Erie, Colorado
Storm Drainage Operating Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for Services	\$ 414,000	\$ 414,000	\$ 425,161	\$ 11,161
Capital Contributions and Fees	-	-	6,080	6,080
Investment Earnings	800	800	5,465	4,665
Total Revenues	414,800	414,800	436,706	21,906
EXPENDITURES				
Operating Expenditures				
Personnel Services	114,500	123,200	103,910	19,290
Operations and Maintenance	141,600	169,300	66,114	103,186
Capital Outlay	864,300	1,490,900	876,711	614,189
Debt Related Expenses				
Principal Payments	11,800	11,800	11,788	12
Interest Expense	6,500	6,500	6,436	64
Total Expenditures	1,138,700	1,801,700	1,064,959	736,741
Change in Net Position, Budget Basis	\$ (723,900)	\$ (1,386,900)	(628,253)	\$ 758,647
Reconciliation to GAAP Basis:				
Principal Payments			11,788	
Change in Accrued Interest Payable			177	
Change in Compensated Absences Payable			97	
Capital Outlay			882,148	
Depreciation and Amortization			(242,191)	
Change in Net Position, GAAP Basis			23,766	
Total Net Position - Beginning			10,615,507	
Total Net Position - Ending			\$ 10,639,273	

Town of Erie, Colorado
Airport Fund
Schedule of Revenues, Expenses, and Changes in Fund Net Assets
Budget and Actual (Non-GAAP Budgetary Basis)
For the Year Ended December 31, 2014

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charges for Services	\$ 8,200	\$ 8,200	\$ 5,200	\$ (3,000)
Capital Contributions and Fees	300,000	383,900	64,668	(319,232)
Intergovernmental	-	61,000	-	(61,000)
Investment Earnings	-	-	237	237
Miscellaneous	41,100	55,600	56,569	969
Total Revenues	349,300	508,700	126,674	(382,026)
EXPENDITURES				
Operating Expenditures				
Personnel Services	3,700	3,700	2,789	911
Operations and Maintenance	39,700	39,700	28,837	10,863
Capital Outlay	333,400	463,400	72,776	390,624
Total Expenditures	376,800	506,800	104,402	402,398
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	-	-	4,185	(4,185)
Total Other Financing/Sources (Uses)	-	-	4,185	(4,185)
Change in Net Position, Budget Basis	\$ (27,500)	\$ 1,900	26,457	\$ 16,187
Reconciliation to GAAP Basis:				
Change in Compensated Absences Payable			(67)	
Capital Outlay			72,776	
Depreciation and Amortization			(235,847)	
Change in Net Position, GAAP Basis			(136,681)	
Total Net Position - Beginning			4,766,458	
Total Net Position - Ending			\$ 4,629,777	

Statistical Section

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This part of the Town of Erie's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends <i>These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.</i>	107
Revenue Capacity <i>These schedules contain trend information to help the reader assess the Town's most significant local revenue sources, property and sales taxes.</i>	111
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.</i>	120
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.</i>	126
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services that the Town provides and activities it performs.</i>	128

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Town of Erie

Net Position by Component

Last Ten Years

(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities ⁽¹⁾										
Net Investment in Capital Assets	\$ 26,124,027	\$ 24,900,765	\$ 53,190,093	\$ 57,152,274	\$ 65,207,177	\$ 72,498,257	\$ 72,014,062	\$ 74,135,764	\$ 77,940,386	\$ 81,995,267
Restricted	17,668,735	22,213,890	21,364,804	22,628,014	17,065,975	21,282,036	16,385,652	19,194,615	19,769,068	18,521,700
Unrestricted	11,207,490	29,704,628	16,480,097	19,422,764	17,917,745	8,127,869	13,780,904	10,221,089	7,505,621	7,907,992
Total Governmental Activities Net Position	\$ 55,000,252	\$ 76,819,283	\$ 91,034,994	\$ 99,203,052	\$ 100,190,897	\$ 101,908,162	\$ 102,180,618	\$ 103,551,468	\$ 105,215,075	\$ 108,424,959
Business-Type Activities ⁽¹⁾										
Net Investment in Capital Assets	\$ 89,746,378	\$ 103,006,082	\$ 112,940,934	\$ 121,520,053	\$ 129,658,852	\$ 139,778,932	\$ 131,296,683	\$ 131,076,105	\$ 138,601,037	\$ 144,136,677
Restricted	4,718,710	4,583,110	14,328,718	15,722,590	5,939,968	7,790,656	7,125,596	7,195,376	1,699,317	1,960,235
Unrestricted	22,471,445	25,951,901	19,793,449	16,889,395	20,708,504	10,662,206	17,313,158	19,982,088	22,531,638	22,935,815
Total Business-Type Activities Net Position	\$ 116,936,533	\$ 133,541,093	\$ 147,063,101	\$ 154,132,038	\$ 156,307,324	\$ 158,231,794	\$ 155,735,437	\$ 158,253,569	\$ 162,831,992	\$ 169,032,727
Primary Government ⁽¹⁾										
Net Investment in Capital Assets	\$ 115,870,405	\$ 127,906,847	\$ 166,131,027	\$ 178,672,327	\$ 194,866,029	\$ 212,277,189	\$ 203,310,745	\$ 205,211,869	\$ 216,541,423	\$ 226,131,944
Restricted	22,387,445	26,797,000	35,693,522	38,350,604	23,005,943	29,072,692	23,511,248	26,389,991	21,468,385	20,481,935
Unrestricted	33,678,935	55,656,529	36,273,546	36,312,159	38,626,249	18,790,075	31,094,062	30,203,177	30,037,259	30,843,807
Total Primary Government Net Position	\$ 171,936,785	\$ 210,360,376	\$ 238,098,095	\$ 253,335,090	\$ 256,498,221	\$ 260,139,956	\$ 257,916,055	\$ 261,805,037	\$ 268,047,067	\$ 277,457,686

Source: Town of Erie Finance Department

⁽¹⁾ In 2013 the Town implemented GASB 65, which provides for the expensing of debt issuance costs. Prior year amounts were not restated.

Town of Erie
Changes in Net Position
Last Ten Years
(accrual basis of accounting)

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013 ⁽¹⁾	2014
Expenses										
Governmental Activities:										
General Government	\$ 2,516,273	\$ 2,279,543	\$ 2,852,921	\$ 2,542,611	\$ 2,191,872	\$ 2,025,071	\$ 2,215,449	\$ 2,315,020	\$ 3,424,886	\$ 4,173,232
Public Safety	1,719,409	1,864,065	1,934,542	2,070,326	2,106,365	2,337,449	2,361,217	2,392,865	2,562,909	2,810,944
Public Works	1,792,625	2,215,283	2,457,612	2,830,931	2,757,873	2,771,238	3,168,315	3,283,741	5,365,419	5,607,191
Parks & Recreation	1,103,296	1,453,447	1,833,112	4,178,321	4,700,478	5,209,771	6,038,210	6,214,564	4,528,156	4,591,031
Interest on Long-Term Debt	178,160	245,770	1,177,219	907,069	868,802	854,380	819,064	780,479	649,304	681,174
Total Governmental Activities Expenses	7,309,763	8,058,108	10,255,406	12,529,258	12,625,390	13,197,909	14,602,255	14,986,669	16,530,674	17,863,572
Business-Type Activities:										
Water	4,258,665	4,916,945	5,849,291	5,920,041	6,412,330	6,830,005	7,167,474	7,666,733	8,176,581	8,988,723
Wastewater	1,854,437	2,019,365	2,060,713	2,370,152	2,728,947	3,261,244	3,874,319	4,538,293	4,676,937	4,980,408
Storm Drainage	287,721	321,017	345,266	359,817	381,752	372,769	400,859	418,621	447,151	412,940
Airport	368,502	482,347	479,946	246,451	320,180	265,896	314,911	299,977	445,648	263,355
Housing Authority	107,904	106,572	107,822	118,011	109,513	114,313	117,270	107,136	111,463	
Total Business-Type Activities Expenses	6,877,229	7,846,246	8,843,038	9,014,472	9,952,722	10,844,227	11,874,833	13,030,760	13,857,780	14,764,726
Total Primary Government Expenses	\$ 14,186,992	\$ 15,904,354	\$ 19,098,444	\$ 21,543,730	\$ 22,578,112	\$ 24,042,136	\$ 26,477,088	\$ 28,017,429	\$ 30,388,454	\$ 32,628,298
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 2,188,739	\$ 1,435,627	\$ 970,615	\$ 1,180,105	\$ 656,516	\$ 572,119	\$ 636,727	\$ 619,763	\$ 1,028,882	\$ 1,199,010
Public Safety	179,917	192,831	113,193	108,343	121,429	135,506	162,864	176,375	246,843	249,004
Public Works	240,794	403,518	634,361	1,208,708	953,418	1,796,856	1,512,843	1,259,149	1,808,015	2,021,365
Parks and Recreation	62,414	65,400	78,197	1,355,988	1,254,479	1,904,056	1,878,354	1,723,388	1,874,591	1,935,127
Operating Grants and Contributions	67,661	48,899	21,560	14,637	128,680	73,748	128,031	1,002,109	1,020,806	1,095,717
Capital Grants and Contributions	9,711,654	18,138,215	11,364,555	7,000,266	2,121,328	1,894,614	1,382,427	1,670,546	2,153,798	3,188,496
Total Governmental Activities Program Revenues	12,451,179	20,284,490	13,182,481	10,868,047	5,235,850	6,376,899	5,701,246	6,451,330	8,132,935	9,688,719
Business-Type Activities:										
Charges for Services										
Water	3,625,729	4,792,751	4,803,707	5,395,596	4,995,495	5,511,767	6,321,368	7,104,638	6,393,236	6,514,590
Wastewater	1,398,101	1,738,799	2,004,146	2,123,952	2,359,528	2,774,232	3,112,916	3,535,547	4,141,562	4,267,375
Other Activities	659,050	757,614	763,136	574,355	552,392	560,669	529,895	499,623	498,000	510,239
Operating Grants and Contributions	-	-	-	-	-	-	-	73,455	66,438	54,829
Capital Grants and Contributions	27,232,102	14,934,116	12,481,218	6,312,796	3,689,777	3,720,291	3,701,122	4,276,591	7,673,635	9,196,375
Total Business-Type Activities Program Revenues	32,914,982	22,223,280	20,052,207	14,406,699	11,597,192	12,566,959	13,665,301	15,489,854	18,772,871	20,543,408
Total Primary Government Program Revenues	\$ 45,366,161	\$ 42,507,770	\$ 33,234,688	\$ 25,274,746	\$ 16,833,042	\$ 18,943,858	\$ 19,366,547	\$ 21,941,184	\$ 26,905,806	\$ 30,232,127
Net (Expense) Revenue										
Governmental Activities	\$ 5,141,416	\$ 12,226,382	\$ 2,927,075	\$ (1,661,211)	\$ (7,389,540)	\$ (6,821,010)	\$ (8,901,009)	\$ (8,535,339)	\$ (8,397,739)	\$ (8,174,853)
Business-Type Activities	26,037,753	14,377,034	11,209,169	5,392,227	1,644,470	1,722,732	1,790,468	2,459,094	4,915,091	5,778,682
Total Primary Government Net (Expense) Revenue	\$ 31,179,169	\$ 26,603,416	\$ 14,136,244	\$ 3,731,016	\$ (5,745,070)	\$ (5,098,278)	\$ (7,110,541)	\$ (6,076,245)	\$ (3,482,648)	\$ (2,396,171)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes										
Property Taxes	\$ 1,297,382	\$ 1,628,286	\$ 3,078,525	\$ 3,556,517	\$ 3,720,316	\$ 3,947,570	\$ 3,880,843	\$ 3,962,431	\$ 3,977,786	\$ 3,993,379
Sales & Use Taxes	5,698,013	4,619,335	3,922,663	3,559,908	3,126,330	3,420,184	3,692,180	4,096,437	4,914,157	5,633,645
Franchise Taxes	389,787	456,110	507,525	589,062	571,130	684,352	561,740	638,792	685,918	708,894
Specific Ownership Taxes	116,034	139,605	255,553	284,928	253,376	221,453	234,005	258,258	239,435	286,551
Intergovernmental - Unrestricted	-	-	-	-	-	-	-	107,617	103,540	207,505
Investment Earnings	786,400	2,193,728	2,734,514	1,633,905	621,372	262,564	250,191	182,476	102,215	169,030
Other Miscellaneous	456,322	455,373	789,859	204,950	84,860	207,953	556,947	423,901	212,691	613,890
Transfers In/Out	-	-	-	-	-	(19,813)	(21,547)	(20,087)	(18,137)	(228,157)
Total Governmental Activities	8,743,938	9,492,437	11,288,639	9,829,270	8,377,384	8,724,263	9,154,359	9,649,825	10,217,605	11,384,737
Business-Type Activities:										
Investment Earnings	954,971	1,583,138	2,063,478	1,405,388	438,286	155,037	113,452	122,303	82,977	132,694
Other Miscellaneous	182,403	664,385	249,360	271,320	92,529	99,970	101,533	49,538	376,272	61,202
Transfers In/Out	-	-	-	-	-	19,813	21,547	20,087	18,137	228,157
Total Business-Type Activities	1,137,374	2,247,523	2,312,838	1,676,708	530,815	274,820	236,532	191,928	477,386	422,053
Total Primary Government General Revenue and Other Changes in Net Position	\$ 9,881,312	\$ 11,739,960	\$ 13,601,477	\$ 11,505,978	\$ 8,908,199	\$ 8,999,083	\$ 9,390,891	\$ 9,841,753	\$ 10,694,991	\$ 11,806,790
Changes in Net Position										
Governmental Activities	\$ 13,885,354	\$ 21,718,819	\$ 14,215,714	\$ 8,168,059	\$ 987,844	\$ 1,903,253	\$ 253,350	\$ 1,114,486	\$ 1,819,866	\$ 3,209,884
Business-Type Activities	27,175,127	16,624,557	13,522,007	7,068,935	2,175,285	1,997,552	2,027,000	2,651,022	5,392,477	6,200,735
Total Primary Government Changes in Net Position	\$ 41,060,481	\$ 38,343,376	\$ 27,737,721	\$ 15,236,994	\$ 3,163,129	\$ 3,900,805	\$ 2,280,350	\$ 3,765,508	\$ 7,212,343	\$ 9,410,619

Source: Town of Erie Finance Department

⁽¹⁾ In 2013 the Town implemented GASB 65, which provides for the expensing of debt issuance costs. Prior year amounts were not restated.

Town of Erie
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund ⁽¹⁾										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,000	\$ 1,477,677	\$ 4,030,672	\$ 4,596,194
Restricted/Reserved	229,174	15,307,980	2,884,711	3,664,997	1,253,409	8,025,287	2,163,588	5,009,870	2,286,494	7,177,572
Assigned	-	-	-	-	-	-	1,026,106	1,462,004	1,118,949	131,230
Unassigned/Unreserved	11,504,917	15,081,463	15,404,897	16,509,423	17,358,472	8,245,195	12,755,793	8,619,655	6,784,338	7,895,100
Total General Fund	\$ 11,734,091	\$ 30,389,443	\$ 18,289,608	\$ 20,174,420	\$ 18,611,881	\$ 16,270,482	\$ 16,073,487	\$ 16,569,206	\$ 14,220,453	\$ 19,800,096
All Other Governmental Funds ⁽¹⁾										
Restricted/Reserved	\$ 17,455,004	\$ 21,816,406	\$ 20,820,428	\$ 22,065,773	\$ 16,639,587	\$ 13,328,502	\$ 14,222,064	\$ 14,184,745	\$ 17,482,574	\$ 16,173,493
Committed	-	-	-	-	-	-	137,963	143,579	17,987	151,996
Unassigned/Unreserved	-	151,887	179,743	144,587	133,606	-	(55,925)	(1,255,208)	(4,065,293)	(4,408,588)
Total of All Other Governmental Funds	\$ 17,455,004	\$ 21,968,293	\$ 21,000,171	\$ 22,210,360	\$ 16,773,193	\$ 13,328,502	\$ 14,304,102	\$ 13,073,116	\$ 13,435,268	\$ 11,916,901

Source: Town of Erie Finance Department

⁽¹⁾In 2011 the Town implemented GASB 54 to reflect the new classifications of fund balance. Prior year amounts were not restated.

Town of Erie
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues ⁽¹⁾										
Taxes	\$ 7,501,216	\$ 6,843,336	\$ 7,764,266	\$ 7,990,415	\$ 7,671,152	\$ 8,273,559	\$ 8,368,768	\$ 8,955,918	\$ 9,817,296	\$ 10,622,469
Intergovernmental	563,479	699,263	703,632	745,587	919,987	918,999	1,037,646	1,109,725	1,124,346	1,465,446
Licenses and Permits	2,360,069	1,566,609	1,064,310	892,946	501,629	536,684	603,482	723,393	1,308,271	1,534,533
Charges for Services	308,065	476,211	723,226	2,560,440	2,213,269	2,504,617	2,581,391	2,878,907	3,403,217	3,620,969
Fines and Forfeitures	179,917	192,831	113,193	108,343	121,429	135,506	162,864	176,375	246,843	249,004
Capital Contributions and Fees	5,844,044	4,490,352	3,729,007	4,332,553	1,301,715	2,107,334	1,349,989	1,670,547	2,153,798	2,604,363
Investment Earnings	786,400	2,193,724	2,734,513	1,633,905	621,373	262,564	250,191	182,476	102,215	169,030
Miscellaneous	290,009	1,329,674	589,062	532,881	262,669	304,083	387,386	374,370	232,919	203,135
Total Revenues	17,833,199	17,792,000	17,421,209	18,797,070	13,613,223	15,043,346	14,741,717	16,071,711	18,388,905	20,468,949
Expenditures										
General Government	2,403,844	2,185,379	2,392,489	2,212,896	2,000,168	1,986,858	2,200,613	2,145,500	2,782,286	2,935,090
Public Safety	1,601,394	1,411,911	1,835,547	1,977,901	1,513,338	2,240,394	2,275,395	2,323,677	2,440,001	2,699,615
Public Works	1,237,714	1,267,684	1,525,403	1,694,973	2,035,519	1,582,570	1,719,095	1,833,074	3,790,678	3,973,497
Parks & Recreation	1,026,281	1,766,445	1,546,258	3,821,824	4,272,109	4,468,041	4,690,752	4,928,772	3,028,137	3,059,582
Capital Outlay	1,134,252	4,672,496	21,775,141	4,271,841	9,057,064	8,606,166	1,863,774	4,813,537	6,319,547	8,511,674
Debt Service										
Principal	220,110	205,000	340,000	800,000	845,000	880,000	915,000	950,000	1,800,062	1,125,320
Interest	178,843	133,055	1,230,056	922,632	889,731	857,444	820,681	782,756	673,681	683,515
Bond Issuance Costs	-	297,249	-	-	-	-	-	-	123,357	110,693
Total Expenditures	7,802,438	11,939,219	30,644,894	15,702,067	20,612,929	20,621,473	14,485,310	17,777,316	20,957,749	23,098,986
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,030,761	5,852,781	(13,223,685)	3,095,003	(6,999,706)	(5,578,127)	256,407	(1,705,605)	(2,568,844)	(2,630,037)
Other Financing Sources (Uses)										
Operating Transfers In	135,000	85,000	698,300	104,939	98,200	109,400	131,200	457,800	4,965,891	1,803,700
Operating Transfers Out	(135,000)	(85,000)	(698,300)	(104,939)	(98,200)	(129,213)	(152,747)	(477,887)	(4,984,028)	(2,031,857)
Debt Proceeds	-	20,206,989	-	-	-	-	-	695,000	9,985,460	6,508,716
Payment for Refunded Bonds	-	(2,991,338)	-	-	-	-	-	-	(9,571,113)	-
Proceeds from Sale of Capital Assets	-	-	155,730	-	-	19,085	113,351	3,085	14,523	7,380
Insurance Recoveries & Related	-	-	-	-	-	41,331	22,084	46,446	171,510	33,374
Proceeds from Litigation Settlements	-	-	-	-	-	-	-	-	-	370,000
Total Other Financing Sources (Uses)	-	17,215,651	155,730	-	-	40,603	113,888	724,444	582,243	6,691,313
Net Changes in Fund Balance	\$ 10,030,761	\$ 23,068,432	\$ (13,067,955)	\$ 3,095,003	\$ (6,999,706)	\$ (5,537,524)	\$ 370,295	\$ (981,161)	\$ (1,986,601)	\$ 4,061,276
Debt Service as a Percentage of Noncapital Expenditures	5.98%	4.65%	17.70%	15.07%	15.01%	14.46%	13.57%	13.16%	16.16%	11.77%

Source: Town of Erie Finance Department

⁽¹⁾ Prior years reflect reclassifications of certain revenues for consistency with current year reporting.

Town of Erie
General Governmental Tax Revenues By Source
Last Ten Fiscal Years

Year	Property Tax	Sales Tax	Use Tax	Franchise Tax	Specific Ownership Tax	Total
2005 ⁽¹⁾	\$ 1,297,382	\$ 2,381,629	\$ 3,316,384	\$ 389,787	\$ 116,034	\$ 7,501,216
2006	1,628,286	2,466,173	2,153,162	456,110	139,605	6,843,336
2007 ⁽²⁾	3,078,525	2,790,694	1,131,969	507,525	255,553	7,764,266
2008	3,556,517	2,624,783	935,125	589,062	284,928	7,990,415
2009	3,720,316	2,572,740	553,590	571,130	253,376	7,671,152
2010	3,947,570	2,842,974	577,210	684,352	221,453	8,273,559
2011	3,880,843	3,095,659	596,521	561,740	234,005	8,368,768
2012	3,962,431	3,318,242	778,195	638,792	258,258	8,955,918
2013	3,977,786	3,616,019	1,298,138	685,918	239,435	9,817,296
2014	3,993,379	4,027,197	1,606,448	708,894	286,551	10,622,469

Source: Town of Erie Finance Department

⁽¹⁾ In November 2004, voters approved a mill levy increase for trails and natural areas. It went into effect in 2005. In 2005 this change added 3.677 mills to the Town's levy. For collection years after 2005 the levy increase was 4.000 mills.

⁽²⁾ In November 2005, voters approved a mill levy increase to construct the Erie Community Center. This change, which went into effect in 2007, added 7.320 mills to the Town's levy. For 2013 the levy was 5.807 mills.

Town of Erie
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Boulder County							
Year ⁽¹⁾	Residential	Commercial	Vacant	Less:		Total Taxable	Total Taxable
	Property	Property	Land	Other	Tax Exempt Real Property	Assessed Value	Actual Value
2005	\$ 62,791,610	\$ 6,643,210	\$ 5,907,990	\$ 5,204,830	\$ 4,299,810	\$ 76,247,830	\$ 834,158,329
2006	66,653,030	6,259,170	7,285,150	5,583,390	4,391,300	81,389,440	886,434,700
2007	72,775,610	7,017,800	7,679,860	5,379,335	3,938,640	88,913,965	968,230,200
2008	74,938,760	7,064,260	6,745,400	5,105,190	3,929,800	89,923,810	991,915,800
2009	74,095,210	7,658,420	6,248,880	12,085,460	4,334,730	95,753,240	994,842,810
2010	74,805,120	7,568,860	5,440,850	12,778,926	4,847,360	95,746,396	1,001,879,430
2011	73,860,728	7,251,830	4,783,897	18,565,810	4,999,658	99,462,607	993,982,165
2012	75,143,537	7,367,407	3,721,512	15,228,537	5,170,320	96,290,673	1,003,587,145
2013	74,154,873	7,686,083	5,744,842	14,205,385	5,079,776	96,711,407	998,823,627
2014	77,114,109	7,766,827	6,742,267	15,712,692	5,103,216	102,232,679	1,041,775,470

Weld County							
Year ⁽¹⁾	Residential	Commercial	Vacant	Less:		Total Taxable	Total Taxable
	Property	Property	Land	Other	Tax Exempt Real Property	Assessed Value	Actual Value
2005	\$ 44,068,480	\$ 7,576,960	\$ 11,197,350	\$ 9,540,820	\$ 4,275,890	\$ 68,107,720	\$ 629,661,578
2006	63,060,810	7,447,830	6,873,180	11,529,760	4,941,450	83,970,130	854,945,317
2007	79,408,720	8,715,140	10,394,750	14,279,150	6,767,920	106,029,840	1,079,491,472
2008	86,117,660	11,917,150	8,805,060	22,293,620	9,331,410	119,802,080	1,179,147,606
2009	83,802,080	15,705,830	8,242,820	38,309,470	10,838,480	135,221,720	1,175,217,277
2010	85,974,780	16,846,260	6,993,710	26,916,450	8,507,750	128,223,450	1,191,937,810
2011	85,755,600	17,973,430	3,804,960	33,924,800	8,585,400	132,873,390	1,190,322,109
2012	87,078,530	17,404,680	3,815,130	48,243,410	18,250,220	138,291,530	1,213,972,885
2013	91,188,060	18,957,690	4,523,580	48,319,546	18,605,790	144,383,086	1,272,092,511
2014	94,959,160	18,416,740	4,236,270	45,016,450	18,783,500	143,845,120	1,314,773,449

Boulder County and Weld County				
Year ⁽¹⁾	Grand Total Assessed	Grand Total Actual	Assessed Value as a Percentage of Actual Value	Total Direct Tax Rate
	Taxable Value	Taxable Value	of Actual Value	Rate
2005	\$ 144,355,550	\$ 1,463,819,907	9.86%	10.965
2006	165,359,570	1,741,380,017	9.50%	11.288
2007	194,943,805	2,047,721,672	9.52%	18.608
2008	209,725,890	2,171,063,406	9.66%	18.282
2009	230,974,960	2,170,060,087	10.64%	17.775
2010	223,969,846	2,193,817,240	10.21%	17.198
2011	232,335,997	2,184,304,274	10.64%	17.376
2012	234,582,203	2,217,560,030	10.58%	17.146
2013	241,094,493	2,270,916,138	10.62%	17.095
2014	246,077,799	2,356,548,919	10.44%	16.567

Sources: Boulder County Assessor's Office
Weld County Assessor's Office

⁽¹⁾Taxes for the year assessed are collected in the following year. For example: 2014 taxes assessed will be collected in the 2015 calendar year.

Town of Erie
Principal Property Taxpayers
December 31

Taxpayer	Boulder County					
	2014			2005		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Public Service Co of Colorado	3,424,996	1	3.35 %	\$ -	-	%
Encana Oil & Gas (USA) Inc	2,600,829	2	2.54	-	-	-
Arapahoe Ridge Retail Center LLC	2,400,214	3	2.35	-	-	-
Meritage Homes of Colorado Inc	2,390,292	4	2.34	-	-	-
Encana Oil & Gas (USA) Inc	1,868,179	5	1.83	-	-	-
Melody Homes Inc	1,502,123	6	1.47	-	-	-
Noble Energy Production Inc	1,480,870	7	1.45	-	-	-
JMJC Eleven LLC	1,356,228	8	1.33	-	-	-
Bayou Development Corp	955,876	9	0.94	-	-	-
Tousa Recovery Acquisition LLC	870,898	10	0.85	-	-	-
Becky Family Investment Co LLLP	-	-	-	2,272,440	1	2.98
Richmond American Homes of Colorado	-	-	-	1,274,880	2	1.67
Westpac Realty Fund II LLC	-	-	-	739,590	3	0.97
John & Rosemarie Zahn	-	-	-	604,250	4	0.79
Safeway Inc.	-	-	-	512,550	5	0.67
Boulder Valley Investment LLC	-	-	-	511,730	6	0.67
Richard E. & Deborah L. Oliver	-	-	-	361,480	7	0.47
Creekside SF LLC	-	-	-	296,100	8	0.39
77 Erie Village Square LLP	-	-	-	294,240	9	0.39
US Bank National Association	-	-	-	247,320	10	0.32
	<u>\$ 18,850,505</u>		<u>18.44 %</u>	<u>\$ 7,114,580</u>		<u>9.33 %</u>
Taxpayer	Weld County					
	2014			2005		
	Assessed Value	Rank	% of Total Assessed Value	Assessed Value	Rank	% of Total Assessed Value
Principal Taxpayers						
Encana Oil & Gas (USA) Inc	\$ 10,799,200	1	7.51 %	\$ -	-	%
Synergy Resources Corp	2,375,980	2	1.65	-	-	-
Kerr-Mcgee Oil & Gas Onshore LP	6,361,090	3	4.42	-	-	-
Public Service CO of Colo (Xcel)	1,392,180	4	0.97	-	-	-
Kerr-Mcgee Gathering LLC	1,320,770	5	0.92	-	-	-
Colorado National Golf Club LLC	1,070,660	6	0.74	-	-	-
Erie Commons Commercial Partners LLC	1,055,870	7	0.73	-	-	-
Waste Connections Inc	1,020,840	8	0.71	-	-	-
Magpul Industries Corp	747,340	9	0.52	-	-	-
Kassity-Lowell Erie LLC	630,970	10	0.44	-	-	-
D.R. Horton Inc.	-	-	-	1,230,190	1	1.81
WL Homes	-	-	-	888,910	2	1.31
Encana Oil & Gas (USA) Inc.	-	-	-	755,170	3	1.11
Comcast of Colorado LLC	-	-	-	746,460	4	1.10
Melody Homes	-	-	-	689,570	5	1.01
Bolder Enterprises LLLP	-	-	-	527,740	6	0.77
Kerr-McGee Rocky Mountain Corp.	-	-	-	479,130	7	0.70
Sprint Spectrum LP DBA Sprint PCS	-	-	-	401,410	8	0.59
Randall E. Davis (Trustee)	-	-	-	358,210	9	0.53
William H. Joyce Trust	-	-	-	358,210	10	0.53
	<u>\$ 26,774,900</u>		<u>18.61 %</u>	<u>\$ 6,435,000</u>		<u>9.45 %</u>

Sources: Boulder County Assessor's Office
Weld County Assessor's Office

Town of Erie
Property Tax Levy from Direct and Overlapping Governments
Last Ten Years

Boulder County									
Town of Erie									
Community Center Trails &									
General	Construction	Natural	Total		Boulder	St Vrain	Boulder	Mountain	Northern
Operating	Bond	Areas	Direct		County	Valley School	Valley School	View	Colorado
Year						District	District	District	Water
Rates (In mills) ⁽¹⁾									
2005	7.288	-	3.677	10.965	21.267	40.089	37.423	8.037	1.000
2006	7.288	-	4.000	11.288	21.867	39.982	37.685	8.037	1.000
2007	7.288	7.320	4.000	18.608	22.467	38.035	39.564	8.137	1.000
2008	7.288	6.994	4.000	18.282	22.467	37.798	37.865	7.937	1.000
2009	7.288	6.487	4.000	17.775	23.067	46.285	39.113	11.747	1.000
2010	7.288	5.910	4.000	17.198	23.667	46.268	39.999	11.747	1.000
2011	7.288	6.088	4.000	17.376	24.645	46.837	43.838	11.747	1.000
2012	7.288	5.858	4.000	17.146	24.645	47.614	44.843	11.747	1.000
2013	7.288	5.807	4.000	17.095	24.645	53.500	45.547	11.747	1.000
2014	7.288	5.279	4.000	16.567	25.120	53.679	45.372	11.747	1.000

Weld County									
Town of Erie									
Community Center Trails &									
General	Construction	Natural	Total		Weld	St. Vrain	Mountain	Frederick	Northern
Operating	Bond	Areas	Direct		County	Valley School	View	Firestone	Colorado
Year						District	District	District	Water
Rates (In mills) ⁽¹⁾									
2005	7.288	-	3.677	10.965	19.957	40.089	8.037	9.560	1.000
2006	7.288	-	4.000	11.288	17.900	39.982	8.037	9.560	1.000
2007	7.288	7.320	4.000	18.608	16.804	38.035	8.137	13.360	1.000
2008	7.288	6.994	4.000	18.282	16.804	37.798	7.937	12.770	1.000
2009	7.288	6.487	4.000	17.775	16.804	46.285	11.747	12.526	1.000
2010	7.288	5.910	4.000	17.198	16.804	46.268	11.747	12.401	1.000
2011	7.288	6.088	4.000	17.376	16.804	46.837	11.747	12.441	1.000
2012	7.288	5.858	4.000	17.146	16.804	47.614	11.747	12.264	1.000
2013	7.288	5.807	4.000	17.095	16.804	53.500	11.747	12.197	1.000
2014	7.288	5.279	4.000	16.567	16.804	53.679	11.747	12.277	1.000

Source: Boulder County Assessor's Office
Weld County Assessor's Office

⁽¹⁾ One mill generates \$1 of property tax revenue per \$1,000 of assessed valuation. Taxes for the year assessed are collected in the following year. For example: 2014 taxes assessed will be collected in the 2015 calendar year.

⁽²⁾ In November 2005, Boulder County residents voted to be included in the High Plains Library District.

⁽⁵⁾ Includes the following metro districts: Erie Farm, Flatiron Meadows and Rex Ranch.

⁽⁴⁾ In 2007, Tri-Area Ambulance Special District was dissolved.

⁽⁵⁾ Includes the following metro districts: Daybreak #'s 1-3; Erie Commons #2; Erie Corporate Center #'s 2-3; Morgan Hill #'s 1-3; Sunset Parks and Vista Ridge.

Urban Drainage & Flood District	Lafayette Rural Fire District	High Plains Library ⁽²⁾	Metro Districts ⁽³⁾	(Range) Total
0.538	2.500	-	-	70.193 - 81.896
0.532	2.500	-	-	71.372 - 82.706
0.542	2.500	3.261	-	84.442 - 93.579
0.507	2.500	3.253	-	82.374 - 91.311
0.528	2.500	3.260	-	83.743 - 103.662
0.508	2.500	3.255	-	84.627 - 103.643
0.523	2.500	3.281	-	89.663 - 105.409
0.566	2.500	3.271	50.000	90.471 - 153.218
0.599	2.500	3.261	45.000 - 50.000	91.147 - 153.894
0.608	2.500	3.264	50.000	90.931 - 153.678

Tri-Area Ambulance Special District ⁽⁴⁾	High Plains Library	St. Vrain Sanitation District	Metro Districts ⁽⁵⁾	(Range) Total
6.543	3.249	-	11.000 - 52.989	82.297 - 136.286
3.250	3.281	3.918	11.000 - 54.332	80.488 - 135.820
-	3.261	3.321	11.000 - 59.246	84.685 - 144.931
-	3.253	2.686	14.000 - 57.827	84.014 - 142.841
-	3.260	0.806	17.140 - 57.827	95.871 - 154.698
-	3.255	0.737	18.000 - 57.827	95.272 - 154.099
-	3.281	0.745	18.000 - 57.827	96.045 - 154.872
-	3.271	0.720	20.000 - 57.827	96.582 - 155.409
-	3.261	0.682	20.000 - 57.827	102.407 - 161.234
-	3.264	0.680	20.000 - 57.827	102.061 - 160.888

Town of Erie
Property Tax Levies and Collections
Last Ten Years

Collection Year	Total Tax Levy ⁽¹⁾	Total Tax Collections	Collections As a Percent of Tax Levy
2005 ⁽²⁾	\$ 1,305,939	\$ 1,297,382	99.34
2006	1,629,486	1,628,286	99.93
2007 ⁽³⁾	3,077,011	3,078,525	100.05
2008	3,563,963	3,556,517	99.79
2009	3,727,878	3,720,316	99.80
2010	3,972,307	3,947,570	99.38
2011	3,891,700	3,880,843	99.72
2012	3,983,633	3,962,431	99.47
2013	4,010,183	3,977,786	99.19
2014	3,994,213	3,993,379	99.98

Sources: Boulder County Assessor's Office
Weld County Assessor's Office

⁽¹⁾ Taxes for the year assessed are collected in the following year.

For example: 2014 taxes assessed will be collected in the 2015 calendar year.

⁽²⁾ In November 2004, voters approved a mill levy increase for trails and natural areas.

It went into effect in 2005 and added 3.677 mills to the Town's levy. In subsequent the levy increase is 4.000 mills. In 2012, voters approved extending this mill levy for ten years beyond its original expiration date in 2014.

⁽³⁾ In November 2005, voters approved a mill levy increase to construct the Erie Community Center. It went into effect in 2007, when the levy was 7.320 mills. In 2014 the levy was 5.279 mills.

Town of Erie
Sales and Use Tax Revenue by Type
Last Ten Years

Year	Automotive	General	Use Tax ⁽¹⁾	Total Sales and Use Tax	Total Direct Tax Rate	
2005	\$ 972,415	\$ 1,409,214	\$ 3,316,384	\$ 5,698,013	3.50	%
2006	1,116,128	1,350,045	2,153,162	4,619,335	3.50	
2007	1,193,071	1,597,623	1,131,969	3,922,663	3.50	
2008	1,079,982	1,544,801	935,125	3,559,908	3.50	
2009	845,641	1,727,099	553,590	3,126,330	3.50	
2010	1,105,114	1,737,860	577,210	3,420,184	3.50	
2011	1,232,012	1,863,647	596,521	3,692,180	3.50	
2012	1,350,525	1,967,717	778,195	4,096,437	3.50	
2013	1,545,392	2,070,627	1,298,138	4,914,157	3.50	
2014	1,776,046	2,251,151	1,606,448	5,633,645	3.50	

Sources: Boulder County Treasurer's Office
Weld County Treasurer's Office
Colorado Department of Revenue
Town of Erie Finance Department

⁽¹⁾ Primarily represents taxes assessed on building materials associated with construction activity.

Town of Erie
Sales Tax Rates from Direct and Overlapping Governments
Last Ten Years

Boulder County											
Year	Town of Erie		State of Colorado		Regional Transportation Authority		Metropolitan Sports Stadium District		Scientific and Cultural Facilities District		Boulder County
		%		%		%		%		%	Total
2005	3.50	%	2.90	%	1.00	%	0.10	%	0.10	%	0.65
2006	3.50		2.90		1.00		0.10		0.10		0.65
2007	3.50		2.90		1.00		0.10		0.10		0.65
2008	3.50		2.90		1.00		0.10		0.10		0.65
2009	3.50		2.90		1.00		0.10		0.10		0.65
2010	3.50		2.90		1.00		0.10		0.10		0.65
2011	3.50		2.90		1.00		0.10		0.10		0.80
2012	3.50		2.90		1.00		-	(1)	0.10		0.80
2013	3.50		2.90		1.00		-		0.10		0.80
2014	3.50		2.90		1.00		-		0.10		0.80

Weld County									
Year	Town of Erie		State of Colorado		Regional Transportation Authority		Metropolitan Sports Stadium District		Total
		%		%		%		%	
2005	3.50	%	2.90	%	1.00	%	0.10	%	7.50
2006	3.50		2.90		1.00		0.10		7.50
2007	3.50		2.90		1.00		0.10		7.50
2008	3.50		2.90		1.00		0.10		7.50
2009	3.50		2.90		1.00		0.10		7.50
2010	3.50		2.90		1.00		0.10		7.50
2011	3.50		2.90		1.00		0.10		7.50
2012	3.50		2.90		1.00		-	(1)	7.40
2013	3.50		2.90		1.00		-		7.40
2014	3.50		2.90		1.00		-		7.40

Source: Town of Erie Finance Office
Colorado Department of Revenue

(1) The Metropolitan Sports Stadium District tax expired as of December 31, 2011.

**Town of Erie
Principal Sales Taxpayers
Last Ten Years**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Aggregate top ten filers ⁽¹⁾	\$ 837,475	\$ 820,681	\$ 731,869	\$ 876,757	\$ 857,218	\$ 1,009,572	\$ 942,292	\$ 994,891	\$ 1,096,938	\$ 1,137,611
Aggregate all other filers	1,544,154	1,645,492	2,058,825	1,748,026	1,715,522	1,833,402	2,153,367	2,323,351	2,519,081	2,889,586
Total sales tax	\$ 2,381,629	\$ 2,466,173	\$ 2,790,694	\$ 2,624,783	\$ 2,572,740	\$ 2,842,974	\$ 3,095,659	\$ 3,318,242	\$ 3,616,019	\$ 4,027,197
Top ten filers as a percentage of total tax	35.2%	33.3%	26.2%	33.4%	33.3%	35.5%	30.4%	30.0%	30.3%	28.2%

Source: Colorado Department of Revenue

⁽¹⁾Colorado State Statutes prohibit disclosure of individual sales and use tax returns, therefore the current year top ten filers in alphabetical order are as follows:

7-Eleven 34168A, County Line Wine & Spirits, Lazy Dog Erie, LLC, Ridge Liquor/ Erie Liquors, Safeway, Starbucks Coffee #13426, Stop'n Save, Vista Ridge Catering LLC, Verizon Wireless LLC, and Walgreens #12864.

Town of Erie
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities					Total Primary Government	Percentage of Personal Income	Per Capita
	General		Capital Leases	Certificates of Participation		Capital Leases ⁽²⁾	Mortgages & Other Loans Payable ⁽³⁾				
	Obligation Bonds	Revenue Bonds/Loans ⁽¹⁾		Revenue Bonds	Participation						
2005	\$ 3,550,000	-	\$ -	\$ 30,783,428	\$ 32,030,000	\$ -	\$ 883,746	\$ 67,247,174	13.38%	\$ 4,623	
2006	20,211,095	-	-	29,555,772	31,550,000	-	888,368	82,205,235	14.32%	5,067	
2007	19,871,095	-	-	42,586,922	31,045,000	2,782,988	868,703	97,154,708	15.02%	5,446	
2008	19,071,095	-	-	50,086,305	30,515,000	2,712,249	856,327	103,240,976	15.00%	5,572	
2009	18,235,000	-	-	61,988,088	29,955,000	2,648,691	838,939	113,665,718	15.89%	6,046	
2010	17,623,254	-	-	60,542,625	29,522,550	2,582,378	819,154	111,089,961	14.83%	5,777	
2011	16,692,986	-	-	58,734,280	29,026,374	2,513,192	803,667	107,770,499	13.31%	5,498	
2012	15,727,719	-	-	56,086,691	28,465,197	2,441,007	781,683	103,502,297	11.95%	5,175	
2013	15,923,684	250,790	-	54,983,075	28,295,000	-	758,942	100,211,491	10.63%	4,661	
2014	21,249,523	195,470	-	54,126,668	25,105,000	-	745,832	101,422,493	10.12%	4,610	

Sources: Bureau of Economic Analysis

U.S. Census Bureau

Town of Erie Finance Department

Town of Erie Community Development Department

⁽¹⁾ Includes revenue bonds and loans from the Colorado Water Resources and Power Development Authority.

⁽²⁾ In 2011 and 2012, prior period adjustments were recorded to reflect capital leases arising in 2007.

⁽³⁾ In 2006, a prior period adjustment to reflect a forgivable loan of \$60,000 was recorded.

Town of Erie
Ratio of General Bonded Debt Outstanding
Last Ten Years

Year	Population	Estimated Actual Taxable Value	General Bonded Debt ⁽¹⁾	General Bonded Debt to Actual Taxable Valuation	General Bonded Debt Per Capita
2005	14,545	\$ 1,463,819,907	\$ 3,550,000	0.24	\$ 244
2006	16,225	1,741,380,017	20,211,095	1.16	1,246
2007	17,840	2,047,721,672	19,871,095	0.97	1,114
2008	18,530	2,171,063,406	19,071,095	0.88	1,029
2009	18,800	2,170,060,087	18,235,000	0.84	970
2010	19,230	2,193,817,240	17,623,254	0.80	916
2011	19,600	2,184,304,274	16,692,986	0.76	852
2012	20,000	2,217,560,030	15,727,719	0.71	786
2013	21,500	2,270,916,138	15,923,684	0.70	741
2014	22,000	2,356,548,919	21,249,523	0.90	966

Sources: U.S. Census Bureau
Town of Erie Community Development Department
Boulder County Assessor's Office
Weld County Assessor's Office

⁽¹⁾ General obligation bond debt equal to gross general obligation bond debt less obligations associated with proprietary funds. In this table the gross general obligation debt is equal to net general obligation bond debt.

Town of Erie
Direct and Overlapping General Bonded Debt
As of December 31, 2013

	Outstanding General Bonded Debt	Percentage Applicable to the Town⁽²⁾	Share of Debt Applicable to the Town
Direct Debt			
Town of Erie	<u>\$ 19,755,000</u>	100 %	<u>\$ 19,755,000</u>
Overlapping Debt ⁽¹⁾			
Boulder Valley School District	324,125,000	1	3,241,250
Frederick-Firestone Fire Protection District	2,225,000	1	22,250
Northern Colorado Water Conservation District	4,310,040	2	86,201
St. Vrain Valley School District	391,800,000	5	19,590,000
Vista Ridge Metropolitan District	<u>41,401,846</u>	100	<u>41,401,846</u>
Total Overlapping Debt	<u>763,861,886</u>		<u>64,341,547</u>
Total Direct and Overlapping General Bonded Debt	<u>\$ 783,616,886</u>		<u>\$ 84,096,547</u>

Source: Provided by each government entity

⁽¹⁾The following governments had no outstanding general bonded debt as of December 31, 2014:

Boulder County, Weld County, Left Hand Water District, Boulder Valley Conservation Soil District, Tri-Area Ambulance Special District, High Plains Library District, Urban Drainage & Flood District, Lafayette Rural Fire District, Erie Commons Metro District #'s 1 and 2, Erie Corporate Center Metro District #2, Erie Corporate Center Metro District #3, Mountain View Fire Protection District, Daybreak Metro District #'s 1, 2 and 3, St. Vrain Sanitation District, Sunset Parks Metro District, Regional Transportation District, Longmont Conservation, Morgan Hill Metro District #1, Morgan Hill Metro District #2, Morgan Hill Metro District #3, Brownsville Water & Sanitation District, Erie Farm Metro District, Flatirons Meadows Metro District and Ridge Lands Metro District

⁽²⁾Town assessed valuation as a percentage of the total assessed valuation of the overlapping government.

Town of Erie
Legal Debt Margin Information
Last Ten Years

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 36,049,926	\$ 44,801,720	\$ 53,206,834	\$ 61,243,273	\$ 64,712,508	\$ 66,674,109	\$ 67,199,962	\$ 66,938,782	\$ 68,952,454	\$ 73,170,157
Total Net Debt Applicable to Limit	3,550,000	20,211,095	19,871,095	19,071,095	18,235,000	17,355,000	16,440,000	15,490,000	14,625,000	19,755,000
Legal Debt Margin	\$ 32,499,926	\$ 24,590,625	\$ 33,335,739	\$ 42,172,178	\$ 46,477,508	\$ 49,319,109	\$ 50,759,962	\$ 51,448,782	\$ 54,327,454	\$ 53,415,157
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.85%	45.11%	37.35%	31.14%	28.18%	26.03%	24.46%	23.14%	21.21%	27.00%

Legal Debt Margin Calculation for Fiscal Year 2014

Actual Valuation	
Boulder County	\$ 1,059,368,331
Weld County	1,379,636,905
Total Actual Valuation	\$ 2,439,005,236
Legal Debt Margin	
Debt Limitation:	
3 Percent of Total Assessed Valuation	\$ 73,170,157
Debt Applicable to Limitation:	
Outstanding Balance of General	
Obligation Bonds	19,755,000
Legal Debt Margin	\$ 53,415,157

Source: Town of Erie Finance Department

Town of Erie
Pledged-Revenue Coverage
Water Revenue Bonds
Last Ten Fiscal Years

Year	Gross Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2005	\$ 20,713,764	\$ 1,904,744	\$ 18,809,020	\$ 998,000	\$ 1,273,168	\$ 2,271,168	8.28
2006	13,640,867	2,717,169	10,923,698	1,034,000	1,268,403	2,302,403	4.74
2007	10,759,055	2,742,213	8,016,842	1,074,000	1,455,127	2,529,127	3.17
2008	10,410,225	2,374,240	8,035,985	1,129,000	1,861,680	2,990,680	2.69
2009	7,724,936	2,683,025	5,041,911	1,175,000	1,790,873	2,965,873	1.70
2010	8,315,995	2,655,958	5,660,037	1,260,000	1,236,523	2,496,523	2.27
2011	8,857,658	2,746,833	6,110,825	676,000	1,100,016	1,776,016	3.44
2012	10,438,223	3,012,737	7,425,486	1,453,045	1,383,950	2,836,995	2.62
2013	12,674,206	3,191,385	9,482,821	1,465,000	1,370,029	2,835,029	3.34
2014	14,265,470	4,090,660	10,174,810	1,500,000	1,334,204	2,834,204	3.59

Source: Town of Erie Finance Department

⁽¹⁾Gross revenues consist of water sales, capital contributions (tap fees), interest income, and other income.

⁽²⁾Operating expenses excludes depreciation.

Town of Erie
Pledged-Revenue Coverage
Wastewater Revenue Bonds
Last Ten Fiscal Years

Year	Gross Revenues ⁽¹⁾	Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest	Total	Coverage
2005	\$ 4,478,101	\$ 1,106,541	\$ 3,371,560	\$ 172,247	\$ 155,075	\$ 327,322	10.30
2006	3,450,476	1,226,783	2,223,693	183,596	147,430	331,026	6.72
2007	3,346,984	1,213,319	2,133,665	189,648	139,671	329,319	6.48
2008	3,552,108	1,408,979	2,143,129	201,090	133,634	334,724	6.40
2009	3,085,121	1,410,234	1,674,887	357,240	502,102	859,342	1.95
2010	3,408,358	1,462,235	1,946,123	460,178	1,018,239	1,478,417	1.32
2011	3,625,497	1,672,930	1,952,567	558,773	1,019,333	1,578,106	1.24
2012	4,332,892	1,985,483	2,347,409	563,209	998,926	1,562,135	1.50
2013	5,477,482	2,170,910	3,306,572	560,696	973,337	1,534,033	2.16
2014	5,827,861	2,488,132	3,339,729	578,224	952,155	1,530,379	2.18

Source: Town of Erie Finance Department

⁽¹⁾Gross revenues consist of water sales, capital contributions (tap fees), interest income, and other income.

⁽²⁾Operating expenses excludes depreciation.

Town of Erie
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population	Personal Income (in thousands)	Per Capita Income	Median Age ⁽¹⁾	School Enrollment ⁽²⁾	Unemployment Rate ⁽¹⁾
2005	14,545	\$ 502,442	\$ 34,544	35.1	1,460	4.5
2006	16,225	574,138	35,386	35.5	1,677	3.7
2007	17,840	646,682	36,249	35.8	1,883	3.3
2008	18,530	688,074	37,133	36.0	3,078	4.9
2009	18,800	715,114	38,038	36.3	3,535	6.4
2010	19,230	749,297	38,965	35.8	3,661	6.7
2011	19,600	809,402	41,296	36.2	3,872	5.5
2012	20,000	865,780	43,289	36.4	4,262	6.1
2013	21,500	942,410	43,833	35.2	4,598	4.4
2014	22,000	1,002,012	45,546	36.9	4,907	3.1

Sources: U.S. Census Bureau
Town of Erie Economic Development Department
Bureau of Economic Analysis
Bureau of Labor Statistics
Department of Local Affairs
Boulder Valley School District
Colorado State of Labor
St. Vrain Valley School District

⁽¹⁾Information is for Boulder County, considered to be representative of the Town.

⁽³⁾Erie students attend schools in two districts. Data presented includes enrollment in St. Vrain Valley School District for all periods and since 2008 for Boulder Valley School District.

Town of Erie
Principal Employers
Current Year and Eight Years Ago ⁽¹⁾

<u>Employer</u>	<u>2014</u>		
			<u>Percentage of</u>
	<u>Employees</u>	<u>Rank</u>	<u>Total Town</u> <u>Employment</u>
St. Vrain Valley School District	290	1	9.06 %
Town of Erie	269	2	8.41
Magnum Plastics	90	3	2.81
Safeway	80	4	2.50
Colorado National Golf Club	50	5	1.56
Primrose	43	6	1.34
Lazy Dog	30	7	0.94
CML RW	30	8	0.94
The Goddard School	24	9	0.75
Waste Connection	23	10	0.72
Total	<u>929</u>		<u>29.03 %</u>

	<u>2005</u>		
			<u>Percentage of</u>
	<u>Employees</u>	<u>Rank</u>	<u>Total Town</u> <u>Employment</u>
Safeway	130	1	6.50 %
Town of Erie	80	2	4.00
Erie Elementary	46	3	2.30
Erie Middle/Senior High	45	4	2.25
Vista Ridge	25	5	1.25
Great American Tire	20	6	1.00
County Line Lumber	14	7	0.70
Ehrhart Griffin & Associates	14	7	0.70
Forever Young	13	9	0.65
Erie Pre-Cast Concrete	12	10	0.60
	<u>399</u>		<u>19.95 %</u>

Source: Erie Chamber of Commerce & Town of Erie Economic Development

**Town of Erie
Full-Time Equivalent Town Government Employees by Function
Last Ten Fiscal Years**

Function	2005	2006	2007(1)	2008	2009	2010	2011	2012	2013	2014
General Government	14.8	15.9	16.3	14.4	13.2	13.2	13.2	14.2	15.2	17.6
Parks & Recreation										
Parks	11.0	11.0	11.0	11.0	11.0	14.0	16.5	16.5	17.0	18.0
Recreation	4.7	4.7	50.5	50.5	51.1	51.1	52.5	53.1	57.3	54.0
Public Safety										
Police	22.7	22.7	22.7	22.7	23.8	24.8	25.0	25.0	27.0	24.4
Public Works	8.8	8.8	7.8	8.1	8.1	8.1	8.1	8.3	8.8	11.8
Water	16.0	16.5	17.1	17.1	17.1	17.1	17.1	17.4	19.2	20.5
Wastewater	11.9	12.5	13.0	13.1	13.1	13.1	14.1	15.4	16.1	17.5
Storm Drainage	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.5	1.5	1.9
Airport	1.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-
Total	92.1	94.3	139.7	138.2	138.7	142.7	147.9	151.4	162.2	165.6

Source: Town of Erie Finance Department

⁽¹⁾During 2007, the Town increased its recreation staff for the opening and operation of the Erie Community Center.

Town of Erie
Operating Indicators by Function
Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Parks										
Total Acres of Parks Maintained	72	87	73	87	91	148	148	149	149	136
Total Acres of Open Space Maintained	120	169	259	204	204	272	272	607	607	1,075
Recreation										
Participation in Recreation Activities	391	1,470	1,558	5,248	5,512	40,862	70,250	67,815	70,262	68,975
Participation in Sports	1,147	1,267	1,347	1,737	2,161	3,303	4,782	6,375	6,954	4,988
Participation in Senior Activities	893	1,029	849	2,572	5,459	3,667	5,779	14,136	17,211	16,086
Senior Lunches	2,177	2,082	1,833	2,742	2,059	2,636	2,677	2,364	2,383	1,770
Police										
Traffic Violations	1,586	987	838	823	840	1,021	1,091	1,138	1,573	1,255
Criminal Violations	821	828	323	318	173	158	247	239	263	275
Water										
Number of Service Connections	5,340	5,787	6,030	6,228	6,383	6,503	6,546	6,765	6,990	7,195
Average Daily Flow (million gallons per day)	2.25	2.60	2.50	2.57	2.36	2.530	2.64	2.94	2.64	2.63
Wastewater										
Number of Service Connections	5,070	5,551	5,789	5,982	6,106	6,216	6,298	6,491	6,716	6,912
Average Daily Flow s (million gallons per day)	0.784	0.840	0.964	0.930	0.964	1.007	1.070	1.090	1.216	1.190

Sources: Town of Erie Public Works Department
Town of Erie Police Department
Town of Erie Recreation Department

Town of Erie
Capital Assets Statistics by Function
Last Ten Fiscal Years

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Parks and Recreation										
Community Center ⁽¹⁾	-	-	1	1	1	1	1	1	1	1
Parks	8	8	8	7	10	10	10	10	10	10
Park Acreage	72	87	73	87	91	148	148	149	149	136
Public Safety										
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	6	7	8	8	8	8	8	8	8	9
Public Works										
Streets (miles)	100.1	119.0	105.1	112.3	132.0	130.0	121.0	122.4	134.0	134.0
Water										
Water Mains (miles)	117.0	88.0	110.0	110.0	111.0	111.0	125.5	132.7	132.7	137.0
Maximum Daily Capacity (million gallons per day)	12.0	12.0	7.3	12.2	12.2	12.2	12.2	12.2	12.2	12.2
Wastewater										
Sanitary Sewers (miles)	86.2	65.0	93.4	93.4	94.0	94.0	87.7	89.7	90.9	94.0
Maximum Daily Capacity (million gallons per day)	1.2	1.2	1.2	1.2	1.8	1.8	2.7	2.7	2.7	2.7
Storm Drainage										
Storm Sewers (miles)	(2)	(2)	(2)	32.5	34.0	34.0	40.1	40.1	39.9	44.0
Airport										
Terminal Building	1	1	1	1	1	1	1	1	1	1

Sources: Town of Erie Public Works Department

Town of Erie Police Department

⁽¹⁾Erie Community Center opened December 31, 2007.

⁽²⁾Information not available.

**Town of Erie
Property Values and Construction
Last Ten Fiscal Years**

Year	Estimated Actual Property Value			Commercial Construction		Residential Construction	
	Commercial	Residential	Total	Number of Units	Value	Number of Units	Value
2005	\$46,429,974	\$ 1,073,620,314	\$ 1,120,050,288	3	\$ 4,862,241	803	\$ 188,301,798
2006	49,034,286	1,342,384,348	1,391,418,634	6	2,878,000	612	116,554,370
2007	47,264,926	1,629,471,893	1,676,736,819	11	26,601,742	249	59,080,987
2008	54,251,411	1,911,752,066	1,966,003,477	11	9,474,077	168	38,336,671
2009	65,454,367	2,027,025,769	2,092,480,136	4	47,815,240	103	24,684,218
2010	80,565,996	1,983,526,184	2,064,092,180	3	14,093,550	119	25,714,523
2011	84,189,472	2,019,788,333	2,103,977,805	2	1,988,216	108	27,681,427
2012	86,983,585	2,005,135,153	2,092,118,738	5	3,860,578	150	36,498,702
2013	85,420,889	2,037,869,085	2,123,289,974	2	8,414,892	249	63,529,916
2014	91,875,014	2,077,190,454	2,169,065,468	7	14,437,901	291	81,564,843

Source: Boulder County Assessor's Office
Weld County Assessor's Office
Town of Erie Building Department

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Compliance Section

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM, AND ON INTERNAL CONTROL OVER COMPLIANCE, IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Trustees
Town of Erie
Erie, Colorado

Report on Compliance for Each Major Federal Program

We have audited the Town of Erie's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Town of Erie's major federal programs for the year ended December 31, 2014. The Town of Erie's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town of Erie's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Erie's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town of Erie's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Erie complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Report on Internal Control Over Compliance

Management of the Town of Erie is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town of Erie's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Erie's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 18, 2015

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Town of Erie
Erie, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Erie, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town of Erie's basic financial statements, and have issued our report thereon dated June 18, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Erie's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Erie's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Erie's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2014-001 and 2014-002 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Erie's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Erie's Response to Findings

The Town of Erie's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Town of Erie's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Greenwood Village, Colorado
June 18, 2015

Town of Erie, Colorado
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

	Federal CFDA Number	Grant Identification Number	Expenditures
<u>Department of Homeland Security</u>			
Pass-Through: Colorado Department of Public Safety Federal Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	14-4145-043	\$ 895,241
Total Department of Homeland Security			<u>895,241</u>
<u>Department of Transportation</u>			
Federal Aviation Administration Airport Improvement Program - East Connector Drainage Repair	20.106	3-08-0090-015-2014	<u>27,274</u>
Total Department of Transportation			<u>27,274</u>
<u>Federal Highway Administration</u>			
Pass-Through: Colorado Department of Transportation, Office of Transportation Safety Highway Planning and Construction - Weld County Road 5 Bridge Repair	20.205	15-HA4-71251	<u>15,539</u>
			<u>15,539</u>
Total Federal Financial Awards			<u>\$ 938,054</u>

The accompanying Notes to Schedule of Federal Financial Awards is an integral part of this schedule.

Town of Erie, Colorado
Notes to the Schedule of Expenditures of Federal Awards
Year ended December 31, 2014

Note I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Erie, Colorado for the year ended December 31, 2014. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies, is included in the schedule. The accompanying expenditures recorded in the Schedule of Expenditures of Federal Awards are presented under the modified accrual basis of accounting for governmental funds. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

Note II. Expenditures Incurred in Prior Years

The accompanying Schedule of Expenditures of Federal Awards includes expenditures incurred in prior years related to the Federal Emergency Management Agency grant program, Disaster Grants – Public Assistance (Presidentially Declared Disasters). Total expenditures incurred in prior years were \$205,917.

**TOWN OF ERIE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014**

SECTION I – SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? ☒ yes ☐ no
- Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ☐ yes ☒ no
- Significant deficiency (ies) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

Type of auditors' report issued on compliance for major program: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ☐ yes ☒ no

Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between type A and type B programs \$300,000

Auditee qualified as low-risk auditee? ☐ yes ☒ no

**TOWN OF ERIE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014**

PART II – FINDINGS RELATED TO FINANCIAL STATEMENTS

Finding 2014-001 Segregation of Duties

Significant Deficiency

Criteria: Adequate segregation of duties is critical to an effective internal control environment.

Condition: During our review of the Town's internal control structure, we noted a lack of segregation of duties over certain accounting and financial reporting functions. The Deputy Finance Director has the ability to record payroll transactions as well as reconcile employee payroll records.

Cause: The Town's existing staffing structure, job assignments, and policies and procedures do not provide for adequate segregation of duties.

Effect: The Town's payroll process is susceptible to errors surrounding employee payroll records due to one individual having the ability to record payroll transactions as well as reconciling payroll records.

Recommendation:

We recommend management review the existing internal controls over accounting and financial reporting and consider job assignments of Finance Department personnel to ensure adequate segregation of duties.

Views of responsible officials and planned corrective actions:

Management concurs with the above finding. With the recent completion of implementation of the Town's new ERP system, additional controls will be implemented to ensure that appropriate activities are conducted by Finance and Human Resource personnel. The previous system and limited staff did not permit implementation of adequate controls over the payroll process.

**TOWN OF ERIE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014**

Finding 2014-002 Employee Pay Rates

Significant Deficiency

Criteria: The Town should ensure all employees are paid the rate as approved on the employee's Personnel Action Form.

Condition: During the audit, we noted one instance where a Town employee was not being paid the approved rate as documented on the respective Personnel Action Form. Also, we noted one instance where a Town employee was being paid the incorrect rate based on the Town's Performance Evaluation Matrix.

Cause: The Town relies on a manual process to update rates of pay in the payroll system.

Effect: Through our testing, we noted two instances where Town employees were not being paid correct rates based on the Personnel Action Form and Performance Evaluation Matrix. This resulted in one employee being paid a rate of \$11.40 rather than \$11.80 and another employee being paid a rate of \$23.86 rather than the correct rate of \$23.63.

Recommendation:

We recommend the Town establish procedures to ensure all Town employees are paid their approved rate of pay.

Views of responsible officials and planned corrective actions:

Management concurs with the above finding. With the recent completion of implementation of the Town's new ERP system, additional controls will be implemented to ensure that appropriate activities are conducted by Finance and Human Resource personnel. The previous system and limited staff did not permit implementation of adequate controls over the payroll process.

**TOWN OF ERIE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2014**

PART III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

Water Enterprise Fund Continuing Disclosures:

History of Net Revenues and Debt Service Coverage for the Water Enterprise

	2010	2011	2012	2013	2014
Gross Revenues					
Charges for services	\$ 5,511,767	\$ 6,321,368	\$ 7,104,638	\$ 6,393,236	\$ 6,514,590
Tap fees	2,671,115	2,404,432	3,212,714	6,001,910	7,244,159
Interest income	79,323	68,418	62,457	43,001	62,563
Other income	53,790	63,440	58,414	236,059	444,158
Total Gross Revenues	8,315,995	8,857,658	10,438,223	12,674,206	14,265,470
Operation and Maintenance Expenses (1)					
	2,655,958	2,746,833	3,012,737	3,191,385	4,090,660
Net Revenues	<u>\$ 5,660,037</u>	<u>\$ 6,110,825</u>	<u>\$ 7,425,486</u>	<u>\$ 9,482,821</u>	<u>\$ 10,174,810</u>
Combined Maximum Annual Principal and Interest Requirements	\$ 2,837,304	\$ 2,837,304	\$ 2,837,304	\$ 2,837,304	\$ 2,837,304
Pro-Forma Coverage Ratio	1.99x	2.15x	2.62x	3.34x	3.59x
Current year debt service					\$ 2,834,204
Coverage Ratio - current year					3.59x
Minimum required ratio					1.10x

(1) Includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization, or interest paid on outstanding bonds.

History of Wastewater Tap Fees

Year	Residential Taps Sold	Residential Tap Fees	Commercial Taps Sold	Commercial Tap Fees	Total Taps Sold	Total Tap Fees
2010	119	\$ 2,471,431	3	\$ 199,684	122	\$ 2,671,115
2011	108	2,249,349	2	155,083	110	2,404,432
2012	147	3,147,149	1	65,565	148	3,212,714
2013	248	5,983,209	1	18,701	249	6,001,910
2014	291	6,948,481	5	295,678	296	7,244,159

History of Water Accounts

<u>Year</u>	<u>Residential Accounts</u>	<u>Commercial Accounts</u>	<u>Irrigation Accounts</u>	<u>Total Accounts</u>
2010	6,267	119	117	6,503
2011	6,329	101	116	6,546
2012	6,542	117	106	6,765
2013	6,757	123	110	6,990
2014	6,944	120	131	7,195

Largest Customers of the System - 2013

<u>Type of Business</u>	<u>2014 Revenue</u>	<u>% of Total (1)</u>
School District	\$ 168,269	2.58%
Municipality	136,190	2.09%
Homeowner's Association	106,191	1.63%
Homeowner's Association	78,733	1.21%
Homeowner's Association	53,587	0.82%
Homeowner's Association	50,136	0.77%
Homeowner's Association	46,710	0.72%
Homeowner's Association	36,126	0.55%
Homeowner's Association	29,236	0.45%
Homeowner's Association	<u>28,569</u>	<u>0.44%</u>
Total	<u><u>\$ 733,747</u></u>	<u><u>11.26%</u></u>

(1) Based on total charges for service of \$6,514,950.

Budget Summary and Comparison - Water Fund

	2013 Final Budget	2013 Actual	2014 Final Budget	2014 Actual
Beginning Working Capital	\$ 10,574,508	\$ 10,574,508	\$ 10,791,543	\$ 10,791,543
Revenues				
Charges for services	6,294,800	6,393,236	6,475,700	6,514,590
Tap fees	5,667,260	6,001,910	6,740,500	7,244,159
Interest income	13,500	43,001	4,300	62,563
Other income	399,900	332,295	453,900	444,158
Total revenues	12,375,460	12,770,442	13,674,400	14,265,470
Total funds available	22,949,968	23,344,950	24,465,943	25,057,013
Operating Expenses				
Administration	1,995,200	1,715,017	2,277,600	2,021,327
Distribution	201,100	177,727	236,600	162,595
Treatment	1,425,800	1,033,184	1,411,500	1,045,935
Meters	160,400	129,216	157,300	143,371
Debt service (1)	4,238,600	4,235,527	32,414,800	32,368,087
Capital outlay	9,190,600	5,256,213	10,783,300	6,025,884
Total operating expenses	17,211,700	12,546,884	47,281,100	41,767,199
Other Financing Sources				
Proceeds from Debt Issuance (1)	-	-	27,970,000	26,522,208
Total other financing sources	-	-	27,970,000	26,522,208
Other changes in working capital	-	(6,523)	-	1,508,874
Net change in working capital	(4,836,240)	217,035	(5,636,700)	529,353
Ending Working Capital	\$ 5,738,268	\$ 10,791,543	\$ 5,154,843	\$ 11,320,896

(1) Includes \$27,670,000 for refunding of the 2010 COP's, plus approximately \$300,000 in related issuance costs.

Water Fund - History of Revenues, Expenses and Changes in Net Position

	Year Ended December 31,				
	2010	2011	2012	2013	2014
Operating Revenues					
Charges for services	\$ 5,511,767	\$ 6,321,368	\$ 7,104,638	\$ 6,393,236	\$ 6,514,590
Operating Expenses					
Personnel services	1,212,818	1,212,449	1,185,324	1,367,069	1,523,281
Operations and maintenance	1,443,140	1,534,384	1,827,413	1,824,316	2,567,379
Depreciation	1,876,677	1,966,472	2,275,380	2,669,956	2,508,658
Total Operating Expenses	4,532,635	4,713,305	5,288,117	5,861,341	6,599,318
Net Operating Income	979,132	1,608,063	1,816,521	531,895	(84,728)
Nonoperating Revenues (Expenses)					
Interest income	79,323	68,418	62,457	43,001	62,563
Other	53,790	63,440	7,139	236,059	59,060
Interest expense (1)	(2,297,369)	(2,454,169)	(2,378,616)	(2,219,004)	(2,389,405)
Total Nonoperating Expenses	(2,164,256)	(2,322,311)	(2,309,020)	(1,939,944)	(2,267,782)
Income (Loss) before Contributions	(1,185,124)	(714,248)	(492,499)	(1,408,049)	(2,352,510)
Capital contributions	2,671,115	2,404,432	3,263,989	6,001,910	7,629,257
Change in Net Position	1,485,991	1,690,184	2,771,490	4,593,861	5,276,747
Total Net Position - Beginning	102,022,848	103,478,543	100,672,837	102,224,496	106,253,567
Prior Period Adjustments (2) (3)	(30,296)	(4,495,890)	(1,219,831)	(564,790)	-
Total Net Position - Ending	<u>\$ 103,478,543</u>	<u>\$ 100,672,837</u>	<u>\$ 102,224,496</u>	<u>\$ 106,253,567</u>	<u>\$ 111,530,314</u>

(1) Includes debt issuance costs of \$255,113 in 2014.

(2) In 2010, 2011 and 2012 various prior period adjustments were recorded, primarily related to the carrying value of capital assets, bond-related deferrals and liability for compensated absences.

(3) The 2013 prior period adjustment reflects implementation of GASB 65, resulting in the expensing of certain bond issuance costs that were previously capitalized and amortized over the life of the related debt.

Wastewater Enterprise Fund Continuing Disclosures:

History of Net Revenues and Debt Service Coverage for the Wastewater Enterprise

	2010	2011	2012	2013	2014
Gross Revenues					
Charges for services	\$ 2,774,232	\$ 3,112,916	\$ 3,535,547	\$ 4,141,562	\$ 4,267,375
Tap fees	536,250	465,620	635,210	1,079,650	1,289,860
Interest income	91,326	33,632	51,783	35,268	64,116
Other	6,550	13,329	110,352	221,002	206,510
Total Gross Revenues	3,408,358	3,625,497	4,332,892	5,477,482	5,827,861
Operation and Maintenance Expenses (1)					
	1,462,235	1,672,930	1,985,483	2,170,910	2,488,132
Net Revenues	<u>\$ 1,946,123</u>	<u>\$ 1,952,567</u>	<u>\$ 2,347,409</u>	<u>\$ 3,306,572</u>	<u>\$ 3,339,729</u>
Combined Maximum Annual Principal and Interest Requirements	\$ 1,598,350	\$ 1,598,350	\$ 1,598,350	\$ 1,598,350	\$ 1,598,350
Pro-Forma Coverage Ratio	1.22x	1.22x	1.47x	2.07x	2.09x
Current year debt service					\$ 1,530,379
Coverage Ratio - current year					2.18x
Minimum required ratio					1.10x

(1) Includes all expenses properly allocable to the System pursuant to GAAP. Does not include depreciation, amortization, or interest paid on outstanding bonds.

History of Wastewater Tap Fees

Year	Residential Taps Sold	Residential Tap Fees	Commercial Taps Sold	Commercial Tap Fees	Total Taps Sold	Total Tap Fees
2010	119	\$ 499,070	3	\$ 37,180	122	\$ 536,250
2011	108	447,030	2	18,590	110	465,620
2012	147	630,920	1	4,290	148	635,210
2013	248	1,065,350	1	14,300	249	1,079,650
2014	291	1,221,220	5	68,640	296	1,289,860

History of Wastewater Accounts

<u>Year</u>	<u>Residential Accounts</u>	<u>Commercial Accounts</u>	<u>Total Accounts</u>	<u>% Change in Accounts</u>
2010	6,112	104	6,216	
2011	6,196	102	6,298	1.3%
2012	6,390	101	6,491	3.1%
2013	6,609	107	6,716	3.5%
2014	6,802	110	6,912	2.9%

History of Operating Revenues by Category

<u>Year</u>	<u>Residential Revenues</u>	<u>Commercial Revenues</u>	<u>Total Revenues</u>	<u>% Change in Revenues</u>
2010	\$ 2,576,582	\$ 197,650	\$ 2,774,232	
2011	2,893,319	219,597	3,112,916	12.2%
2012	3,299,970	235,577	3,535,547	13.6%
2013	3,906,468	235,094	4,141,562	17.1%
2014	4,026,327	241,048	4,267,375	3.0%

Largest Customers of the System

<u>Type of Business</u>	<u>2014 Revenue</u>	<u>% of Total (1)</u>
Homeowner's Association	\$ 115,964	2.72%
Homeowner's Association	23,181	0.54%
Municipality	22,783	0.53%
Homeowner's Association	21,936	0.51%
School District	19,579	0.46%
Homeowner's Association	15,430	0.36%
Homeowner's Association	13,530	0.32%
Light Manufacturing	11,487	0.27%
Retail Grocer	10,528	0.25%
Golf Course	10,445	0.24%
Total	<u>\$ 264,863</u>	<u>6.21%</u>

(1) Based on total charges for service of \$4,267,375.

Budget Summary and Comparison - Wastewater Fund

	2013 Final Budget	2013 Actual	2014 Final Budget	2014 Actual
Beginning Working Capital	\$ 7,000,664	\$ 7,000,664	\$ 8,702,544	\$ 8,702,544
Revenues				
Charges for services	4,100,000	4,141,562	4,225,000	4,267,375
Tap fees	1,029,580	1,079,650	1,309,900	1,289,860
Interest income	16,400	35,268	9,200	64,116
Other income	201,500	221,099	150,800	206,510
Total revenues	5,347,480	5,477,579	5,694,900	5,827,861
Total funds available	12,348,144	12,478,243	14,397,444	14,530,405
Operating Expenses				
Administration	867,200	841,814	1,114,100	1,020,772
Collection	150,000	133,045	248,800	186,873
Treatment	1,268,900	1,097,175	1,462,800	1,141,245
Debt service	1,530,100	1,529,933	1,534,600	1,531,479
Capital outlay	862,600	144,487	2,435,100	151,904
Total operating expenses	4,678,800	3,746,454	6,795,400	4,032,273
Other changes in working capital	-	(29,245)	-	(140,835)
Net change in working capital	668,680	1,701,880	(1,100,500)	1,654,753
Ending Working Capital	\$ 7,669,344	\$ 8,702,544	\$ 7,602,044	\$ 10,357,297

Wastewater Fund - History of Revenues, Expenses and Changes in Net Position

	Year Ended December 31,				
	2010	2011	2012	2013	2014
Operating Revenues					
Charges for services	\$ 2,774,232	\$ 3,112,916	\$ 3,535,547	\$ 4,141,562	\$ 4,267,375
Operating Expenses					
Personnel services	912,109	983,824	999,070	1,213,708	1,335,957
Operations and maintenance	550,126	689,106	986,413	957,202	1,152,175
Depreciation	776,962	1,168,553	1,541,441	1,543,684	1,546,140
Total Operating Expenses	2,239,197	2,841,483	3,526,924	3,714,594	4,034,272
Net Operating Income (Loss)	535,035	271,433	8,623	426,968	233,103
Nonoperating Revenues (Expenses)					
Interest income	91,326	33,632	51,783	35,268	64,116
Other	6,550	13,329	1,750	(97)	-
Interest expense	(1,022,048)	(1,032,836)	(1,011,369)	(962,246)	(946,136)
Total Nonoperating Revenues (Expenses)	(924,172)	(985,875)	(957,836)	(927,075)	(882,020)
Income before Contributions	(389,137)	(714,442)	(949,213)	(500,107)	(648,917)
Capital contributions	536,250	465,620	743,812	1,300,749	1,496,370
Change in Net Position	147,113	(248,822)	(205,401)	800,642	847,453
Total Net Position - Beginning	39,447,603	39,562,430	39,286,142	40,640,401	41,198,092
Prior Period Adjustments (1) (2)	(32,286)	(27,466)	1,559,660	(242,951)	-
Total Net Position - Ending	<u>\$ 39,562,430</u>	<u>\$ 39,286,142</u>	<u>\$ 40,640,401</u>	<u>\$ 41,198,092</u>	<u>\$ 42,045,545</u>

(1) In 2010, 2011 and 2012 various prior period adjustments were recorded, primarily related to the carrying value of capital assets, bond-related deferrals and liability for compensated absences.

(2) The 2013 prior period adjustment reflects implementation of GASB 65, resulting in the expensing of certain bond issuance costs that were previously capitalized and amortized over the life of the related debt.

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: Town of Erie	
		YEAR ENDING: December 2014	
This Information From The Records Of (example - City of _ or County of _): Town of Erie		Prepared By: Steve Felten Phone: 303-926-2751	

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE				
ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES		III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES	
ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	2,655,100
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	759,412
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations	41,415	b. Snow and ice removal	
3. Other local imposts (from page 2)	2,539,449	c. Other	262,968
4. Miscellaneous local receipts (from page 2)	32,502	d. Total (a. through c.)	262,968
5. Transfers from toll facilities		4. General administration & miscellaneous	680,086
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	4,357,566
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	71,663
7. Total (1 through 6)	2,613,366	b. Redemption	300,000
B. Private Contributions		c. Total (a. + b.)	371,663
C. Receipts from State government (from page 2)	845,481	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	3,458,847	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	371,663
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	4,729,229

IV. LOCAL HIGHWAY DEBT STATUS (Show all entries at par)				
	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	1,645,000	0	300,000	1,345,000
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE				
	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance
	3,956,559	3,458,847	4,729,229	2,686,177
E. Reconciliation				
				0

Notes and Comments:

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(Next Page)

LOCAL HIGHWAY FINANCE REPORT		STATE:	
		Colorado	
		YEAR ENDING (mm/yy): December 2014	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	32,502
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees	577,799	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	1,961,650	g. Other Misc. Receipts	0
6. Total (1. through 5.)	2,539,449	h. Other	
c. Total (a. + b.)	2,539,449	i. Total (a. through h.)	32,502
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	639,655	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	71,022	d. Federal Transit Admin	
d. Other - Road & Bridge Taxes	134,804	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	205,826	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	845,481	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		1,470,008	1,470,008
(3). System Preservation		772,459	772,459
(4). System Enhancement & Operation		412,633	412,633
(5). Total Construction (1) + (2) + (3) + (4)	0	2,655,100	2,655,100
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	2,655,100	2,655,100
			(Carry forward to page 1)
Notes and Comments:			

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